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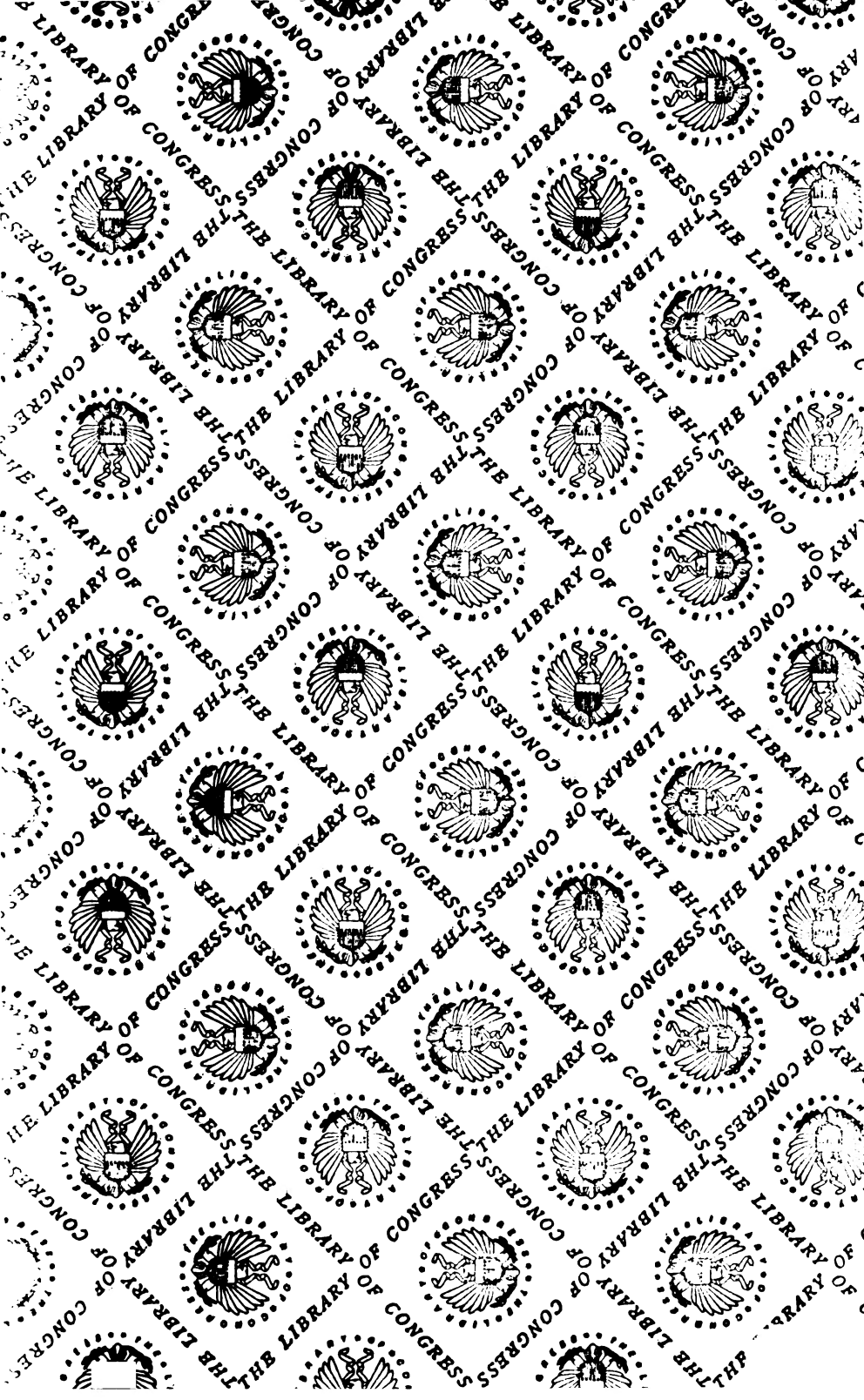
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HEARINGS

BEFORE

U.S. Cm

SUBCOMMITTEE OF HOUSE COMMITTEE ON APPROPRIATIONS,

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CONSISTING OF

MESSRS. BINGHAM, GILLET, BRICK,
LIVINGSTON, AND BURLESON,

IN CHARGE OF

THE LEGISLATIVE, EXECUTIVE, AND JUDICIAL
APPROPRIATION BILL FOR 1909.

WASHINGTON:

GOVERNMENT PRINTING OFFICE.

1908.

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LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION BILL.

Hearings conducted by the subcommittee, Messrs. H. H. Bingham, Frederick H. Gillett, Abraham L. Brick, L. F. Livingston, and Albert S. Burleson, of the Committee on Appropriations, House of Representatives, in charge of the legislative, executive, and judicial appropriation bill for 1909, on the days named.

THURSDAY, *January 9, 1908.*

LIBRARY OF CONGRESS.

STATEMENT OF MR. HERBERT PUTNAM, LIBRARIAN.

APPROPRIATIONS OTHER THAN THOSE IN LEGISLATIVE BILL.

Mr. BINGHAM. The first question I want to ask you, Mr. Putnam, is what appropriations do you receive other than those contained in this bill?

Mr. PUTNAM. I am aware of none, sir, except the one for printing and binding, which is in the Sundry Civil bill.

Mr. BINGHAM. What do you get?

Mr. PUTNAM. Including the provision for printing the catalogue of title entries, \$205,000. We are asking \$202,000 for the coming year.

Mr. BINGHAM. Independent of copyright work, what does your account exhibit?

ALLOTMENT FOR PRINTING AND BINDING.

Mr. PUTNAM. The catalogue of title entries probably costs from fifteen to twenty thousand dollars a year. Excluding this we get about \$180,000 from the Sundry Civil bill.

Mr. BINGHAM. That is expended how?

Mr. PUTNAM. In printing and binding only. It is merely an allotment, Mr. Chairman. It is the privilege of having work done to that amount by the Government Printing Office.

Mr. BINGHAM. Do you reach that amount?

Mr. PUTNAM. Yes; we expend within a few hundred dollars of it each year. The amount of work to be done in binding, especially of the earlier material that came over from the Capitol, is almost indefinite. We arrange to turn in as much as we can accomplish out of the allotment, together, of course, with the printing that we have to do.

Mr. BINGHAM. The cost of publications that you issue with reference to any given subject, for instance, as to volumes in the Library—does that come out of that fund?

Mr. PUTNAM. Yes; all of our printing, but not the annual report.

Mr. BINGHAM. How is the clerical force paid that makes up this work in connection with your publications? Do you pay them out of this appropriation in the Sundry Civil bill?

Mr. PUTNAM. I am not clear what you mean as to that.

Mr. BINGHAM. For instance, I received in the past year, as you have issued them, a number of publications with reference to the Library possessions, and so forth—

Mr. PUTNAM. Such as catalogues, and bibliographic lists, and so on?—the preparation of all the subject matter, or what the printers call “copy” is, of course, part of the ordinary library routine, and all that is paid out of the allotment is the work of composition and presswork and the stock used. Nothing is paid out of that for other than those things.

Mr. BINGHAM. That is wholly used for printing and binding?

DISTRIBUTION OF CARD INDEXES.

Mr. PUTNAM. Yes. As to one small group of six people who are engaged on work in connection with the distribution to the purchasers of our printed cards, those six people who are on the Public Printer's rolls, he has recently felt doubtful about their work being charged to the allotment. It would be exactly such work as would be done in the office of the Superintendent of Documents in connection with publications sold by him, but the Public Printer being doubtful as to whether they ought to continue on his rolls. I am asking that next year provision be made for them on our rolls. It is in the provision for the card section. This work is self-supporting.

Mr. BINGHAM. I was going to ask you that very question with reference to the card section. We will go to that for the present.

Mr. PUTNAM. Your use of the word “clerical” made me think that possibly the question had arisen whether any people paid out of the allotment are not really doing printing or binding, or work connected with that office, but Library work; that is not the case.

Mr. BINGHAM. Tell me, under your card index, where the printing is done?

Mr. PUTNAM. The printing of the cards is wholly done in the branch printing office in the Library building.

Mr. BINGHAM. That is paid out of what?

Mr. PUTNAM. Out of this allotment for printing and binding.

Mr. BINGHAM. Then it does not come out of card allowance as we give it in this bill?

Mr. PUTNAM. No, sir. That is solely for salaries. The total cost of maintaining the branch printing office last year, including all the work they do, all the forms which they print for the Library—and they print all of our forms—was, I think, between \$30,000 and \$40,000. The five Mergenthaler machines are chiefly occupied in the printing of our catalogue cards.

Mr. BINGHAM. When you speak about your cards do you consider and estimate the cost of those cards when you claim that there is a profit received from them?

Mr. PUTNAM. I have never laid great stress on the profits. I have merely contended that we were covering the expense of the sales. The cost of the card as we sell it is about a quarter of a cent. We sell the cards for two cents for the first copy and half a cent for each additional copy of the same card. Libraries want several copies where they are making subject entries. Where their orders involve greater expense in the handling we charge as much as five cents per card. That would seem to show an immediate considerable profit. But when we say the cards cost a quarter of a cent we mean the cost of producing merely, not of distributing or handling or drawing them out of the stock for distribution.

Mr. BINGHAM. They go through the mails free?

Mr. PUTNAM. Yes. Last year the receipts from the sales were about \$21,000. The appropriation for the service there was \$10,800. But then, of course, there is the cost of the cards themselves. This same service, however, does other work for us. It not merely attends to the sale of these cards, but it has care of our whole card stock and distributes cards to the depository libraries. Now there are thirty-three libraries that we make free depositories for one complete set of our cards, and all the Government Departments and bureaus receive from us without charge one copy of each card that we print that covers a book relating to the work of that Department or bureau.

Mr. LIVINGSTON. Now, Mr. Chairman, if I understand it, for this allotment fund that he speaks of he is responsible to Mr. Stillings and not to us. That comes in the report from Mr. Stillings to us. We appropriate so much to Mr. Stillings and so much to the Library. You are trying to draw a distinction between the printing and allotment of the cards.

Mr. PUTNAM. The allotment is made in the sundry civil bill.

Mr. GILLET. There is so much additional, then, which the Library gets besides what we appropriate for?

Mr. BINGHAM. That is my inquiry.

Mr. PUTNAM. No money besides what you appropriate. That other is an allotment. It is \$205,000. That includes printing as well as binding; all the printing and publishing and binding which we do, and all the repairing, including all the work that is done in the branch printing office and bindery, as well as in the main printing office.

Mr. BINGHAM. In other words, the sundry civil bill makes an appropriation for you which is charged against you when expended in your own building or when expended by the Public Printer?

Mr. PUTNAM. The work at our own building is done by the employees of the Public Printer in exactly the same way and upon the same principle of charge as for work done in the main office. The materials and service are charged against our office.

Mr. BINGHAM. Now go to the cards and finish them up, as you come in with an additional request. Your present distribution of card indexes is what?

Mr. PUTNAM. For service alone it is \$10,800. Now I ask for \$16,800 for next year. That is a later estimate, in two sections. In the first place there was certain work connected with the arrangement of the material for distribution to the purchasers which has been done by the Public Printer's employees. There were six employees at \$500 each engaged in that, and he thought that it was too near the

line of what he thought was distribution work, and not merely sorting work from the Printing Office, for the people to continue on his rolls, and therefore asked that they come over to our rolls. I therefore ask for \$3,000 additional on that account. That brings it up to \$13,800 *without increasing the force*. The other \$3,000 is for increase of force needed to meet the increase of sales. The sales for the past quarter of the year have exceeded by 25 per cent those of the year preceding, and by the end of this present fiscal year the same appropriation for service will have been in existence for two years. Now it is indispensable to the system that we should have an adequate service to meet this demand promptly, because a library ordering cards for a book must be able to get those cards practically as soon as the book reaches it, if it is a new book, and the future of the system so much depends upon efficient promptness at this stage of it that I am very anxious that we should not let it lag. Even if the sales do not increase over the present sales the receipts will still cover this service.

Mr. BINGHAM. The card service is in no wise an expense, but meets its own obligations?

Mr. PUTNAM. Yes. That is all I have ever claimed for it. Sometimes the remark has been made that the Government is making money out of it. There has been an apparent margin, but—

Mr. BINGHAM. With this increase, will you still be able to meet your obligations in view of the increase of the service?

COPYRIGHT OFFICE.

Mr. PUTNAM. Yes, sir, and the same is true, sir, of the only other section of the service in which I ask an increase in the coming year, that of the Copyright Office. I would lay stress upon that latter, Mr. Chairman, as it is very important. The receipts from the Copyright Office in this last year were about \$85,000. The expenditures for service and stationery were only \$75,000. Now the business interests of this country which are concerned with copyrights have the right to expect that the efficiency of that office will be brought up adequately to the extent of its receipts, and there is an increase right along in the number of entries, as appears from the report. It is an increase regularly of at least 10% a year. Under the conditions during the next fiscal year, through differences in copyright legislation, including what they call *ad interim* copyright (the provision for temporary protection for works in foreign languages), the increase in applications is very marked. We must meet it with an adequate force, and we have not that adequate force now. Then there is one increase there in the salary of the register that I emphasize in my letter. It is provided for in the pending copyright bill, on the unanimous recommendation of all the interests concerned in the copyright conferences and by the unanimous recommendation of the Committees on Patents. The copyright office is one of the most important single bureaus of the Government in its bearing upon certain interests. The Register gets \$3,000, which is only the salary paid to a chief of an ordinary division of the Library.

Mr. GILLET. How much do you ask?

Mr. PUTNAM. I ask \$4,000. The thought that as the chief of an independent bureau he ought to have \$5,000, but I thought that inas-

much as the Assistant Chief of the Library gets only \$4,000, I ought not to recommend more for the Register; but the Register certainly ought to have \$4,000. It is only by special good fortune that the Government has been able to get for \$3,000 such a man as Thorvald Solberg. The responsibilities of the position are very great.

Mr. BINGHAM. Is he the one you call Assistant Register?

Mr. PUTNAM. No, sir; he is the Register.

Mr. BINGHAM. I merely want to make the statement that the proposed increase of the Register of Copyrights from \$3,000 to \$4,000, an increase of \$1,000, is a very large increase. How long has he been with you?

Mr. PUTNAM. He has been there for ten years, since the Library was transferred.

DISTRIBUTION OF CARD INDEXES (AGAIN).

Mr. LIVINGSTON. I would like to ask the Librarian this question, Mr. Chairman: How do you account for your demand here for increase of clerical force by reason of the increased purchasing of cards? For instance, can not your force now turn out twice as many cards as you have got? Please explain to the Committee why you want more clerks because you get more orders for cards. If a store would do that, or a railroad office, they would bankrupt themselves quickly.

Mr. PUTNAM. You mean if the increased work were in exact ratio to the demand?

Mr. LIVINGSTON. No. I want to know why you cannot fill increased orders for cards with the present force.

Mr. PUTNAM. Because they are working overtime with the present force. When an order comes in, it may be an order for cards by what we call the printer's number, which is a definite number, a serial number, by which the cards are arranged in stock. Such an order is a simple matter, yet the attendant must go and pick out the card. There are fifteen million cards now in stock. But if it comes in as an order for cards for books by certain authors, that is a more elaborate process. It involves consulting our index. Or it may be an order for cards on a certain subject, like American history. That again involves a double search. This work all involves, besides getting out the cards, the expense of charging up the cards; and of course the very fact that the charge for any particular card is small involves a great deal of detail in bookkeeping. Then the cards have to be packed, addressed, and mailed.

Mr. LIVINGSTON. Still I cannot see why you want to increase your force merely because the orders increase. How many cards do you sell in a day? Can we get at that fact?

Mr. PUTNAM. We sold last year, excluding sales to Government libraries, about a million and a half of the current cards——

Mr. LIVINGSTON. How many cards a day, and what force have you behind it?

Mr. PUTNAM. The force consists of 22 people. That includes the six for which I ask the first \$3,000.

Mr. BINGHAM. They are not diverted to anything else?

Mr. PUTNAM. No, sir.

Mr. LIVINGSTON. How many are employed in shipping and packing?

Mr. PUTNAM. That I could not tell you offhand. Now there are cards sold to Government Departments not included in that. Then there is a complete set of all our cards furnished to over thirty different depository libraries. Those have to be gotten out. Then these people are busy with arranging cards in stock.

Mr. BINGHAM. How often are these sent out—once a year?

Mr. PUTNAM. To any one library a batch about once a week.

Mr. GILLETT. You do not send each card when it is ready, but you send them out in batches?

Mr. PUTNAM. To purchasers we send each day, but not to depositories. Then a certain number of these people have to be engaged sorting cards in stock in proper sequence, and in making two indexes, one in which the cards are arranged by author, and the other—

Mr. LIVINGSTON. What do you make those for?

Mr. PUTNAM. So as to fill orders for cards of books by particular authors or by subject. We have a great many orders and they are very important ones, for all cards relating to a particular subject; the literature of American history, for example, or the literature of chemistry, and so on.

Mr. LIVINGSTON. We understand that, but the only way that this Committee can get at the question whether you have an economical system there or not is to know how much work you do in a day, and how many women and children you have behind it.

Mr. PUTNAM. I have told you we had 22 people.

Mr. LIVINGSTON. And you send out 300 cards a day?

Mr. PUTNAM. That wouldn't express it. To say that 22 people do nothing but send out so many cards a day would not be a complete statement. They are doing this other work as well.

Mr. GILLETT. Do you not divide it up? Do not certain ones send out, and certain ones keep track of what is done?

Mr. PUTNAM. Yes. I do not carry those details in my head, but sometimes there is an influx of orders and all hands have to turn to to fill them. If it were a question of reaching into a drawer and taking out 300 or any number of cards and shipping them, one person could do it in a day; but it is not a simple proposition like that.

Mr. GILLETT. It would be 3,000 a day, after all; not 300.

THE LIBRARY OF CONGRESS,
Washington, January 9, 1908.

SIR: With reference to the organization and work of our Card Section:

The following figures should correct and enlarge those quoted at the hearing this morning:

Shipments of cards average daily (each of 300 working days) about. 11,500

Made up as follows:

Current cards sold last fiscal year.....	1,500,000
Cards sold from stock.....	500,000

Total yearly sales.....	2,000,000
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Average shipments per day, say, 6,500.

Cards distributed to depositories.....	1,650,000
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Average shipments per day, say, 5,000.

Total average per day, 11,500.

The twenty-two present employees of the Card Section are, under normal conditions, assigned to work as follows:

- 1 assistant in charge (administrative work, correspondence, etc.).
- 1 first assistant (revising orders, superintendence of details).
- 2 second assistants (subject orders, highest grades of misc. work).
- 1 bookkeeper (bookkeeping and misc. clerical work).
- 1 stenographer (stenography and misc. clerical work).
- 1 head searcher (searching the most difficult orders, filling orders by series).
- 2 second searchers (searching the more difficult orders).
- 5 searchers (filling the ordinary orders).
- 3 sorters (sorting and shipping cards and proof).
- 1 head messenger (withdrawing cards and misc. messenger work).
- 4 messengers (withdrawing cards, installing new stock, etc.).

22 total number of assistants.

Very respectfully,

HERBERT PUTNAM,
Librarian of Congress.

HON. HENRY H. BINGHAM,
*Chairman Subcommittee on Appropriations,
House of Representatives.*

Mr. PUTNAM. I never figured it out, by the day, but will do so.

Mr. PUTNAM (continuing). There are about a thousand subscribers and thirty-three depositaries.

Mr. LIVINGSTON. The purpose here is to add to your force?

Mr. PUTNAM. Yes; to transfer from the allotment to our rolls the six people included in the present 23 and then to add to this service to the amount of \$3,000 more. It is only \$3,000 more, after the service has been at a standstill for two years. The volume of business has increased 25 per cent.

Mr. BINGHAM. What do you propose to pay those people?

Mr. PUTNAM. The man in charge gets \$2,000.

Mr. BINGHAM. I do not mean that. I mean the increase. Suppose you get the increase for clerical force. What will you pay them?

Mr. PUTNAM. Oh, the most of the \$3,000 would probably go into positions from \$360 up to \$600. The fact that you give us a lump appropriation for that work made us very scrupulous about salaries, and we have made pretty hard bargains with a good many people. As a rule we take them in at \$360 and move them up at the rate of \$5 a month, and when some drop out the others come in at the bottom. We have kept the schedule of salaries very low.

Mr. LIVINGSTON. None of this is for promotion among the clerks now engaged?

Mr. PUTNAM. Only in that way.

ORDER AND ACCESSION.

Mr. BINGHAM. For the Division of Order and Accession you need only the current law.

Mr. LIVINGSTON. Except the word "chief" is written there.

Mr. PUTNAM. That is for uniformity, because in other divisions the term is used, "chief assistant."

Mr. BINGHAM. That is your only reason?

Mr. PUTNAM. That is the only reason.

DIVISION OF BINDING.

Mr. BINGHAM. The next is Binding, chief assistant, \$1,500.

Mr. PUTNAM. That is an increase of \$100.

Mr. BINGHAM. Why?

Mr. PUTNAM. I ask that simply because the work seems to require it, and that it is a fair increase. It is one of only six increases, I think, that remain left to complete the organization as I recommended it seven years ago. The others have been brought up.

Mr. BINGHAM. Have you suffered any from the failure to accomplish all of that organization as you suggested?

Mr. PUTNAM. The man is there. I can not say that he has left us. If that is the test, of course we have not suffered.

RESIGNATIONS.

Mr. BINGHAM. Have you many changes in your library organization as a result of resignations?

Mr. PUTNAM. We have a considerable number of changes of people doing technical work. Such people leave us to enter the service of other libraries, including the libraries of other Government Departments or bureaus where they can get higher salaries. We pay small salaries for technical work. For instance, we often get for \$720 a college graduate with library training. We can always get such a person for \$900. Now then it is very well to get them in for that, but we can not always hold them. Changes often occur in such positions.

Mr. BURLESON. Where did I understand you to say they go?

Mr. PUTNAM. To other libraries.

Mr. BURLESON. In this city?

Mr. PUTNAM. Several have left us to go to the Department libraries; some, I think, to the District Library.

Mr. BINGHAM. They must go through the civil service?

Mr. PUTNAM. Yes; they are taking examinations all the time. We are supplying librarians and chiefs. We supplied a librarian to the Coast Survey once, and he came back to our library later. We supplied a librarian to the Naval War College at Newport, and one to the State University of Texas. They graduate from our service. We are a sort of training school.

Mr. BINGHAM. What have been your resignations in number for the past year?

Mr. PUTNAM. I could not fix that offhand, but, including people who come in, especially in the \$360 positions, with the idea of remaining with us only for a brief period, there have been probably forty or more resignations.

Mr. BINGHAM. Those are youngsters?

Mr. PUTNAM. Yes, but also many of those higher grade people who go into the service of other libraries, or young women who get married and a husband to support them. But this latter is not so apt to be the cause with our professional workers.

Mr. BINGHAM. Your resignations do not impair the efficiency of the administration?

Mr. PUTNAM. Yes, they do, because each new person taken in has to be familiarized with our methods. It means a net loss each year.

Our net loss from resignations and illness during the year is probably a fifth of our rolls.

Mr. LIVINGSTON. When you use those words "chief assistant" do you mean to say by that you have other assistants along through here?

Mr. PUTNAM. The other people are subordinates. It is to distinguish the man who in the absence of the chief of the division would have the administrative responsibility for the division.

Mr. LIVINGSTON. Then there are more assistants than one?

Mr. PUTNAM. There is one assistant at \$900, you see, and then a messenger boy.

DOCUMENT DIVISION.

Mr. BINGHAM. In the Document Division you ask for an increase of \$100.

Mr. PUTNAM. That is one of the six increases referred to.

Mr. LIVINGSTON. It seems to me, Mr. Librarian, you do not need the word "chief" there to designate a man's duty. If he is the assistant, of course when the chief is out he takes his position anyway. It may lead to your asking an increase of salary, and every Department and bureau of the Government will follow suit.

Mr. PUTNAM. If there is danger of that I will entirely waive my contention.

Mr. BURLESON. What is the difference between chief and assistant?

Mr. PUTNAM. The chief, so long as he is there, has the general administration. The assistant does only detail work while the chief is there.

Mr. LIVINGSTON. The chief does no detail work, does he?

Mr. PUTNAM. Oh, yes, in every division.

Mr. BURLESON. Take the Division of Documents here, with a chief of division and an assistant chief. Now, what does the chief and assistant do?

Mr. PUTNAM. The duties of the chief are quite obvious. The question would be how would the duties of the chief assistant vary from those of an ordinary assistant?

Mr. BURLESON. No; the question is how would the duties of the chief assistant vary from the duties of the chief of division?

Mr. PUTNAM. While the chief is there the assistant has only subordinate work.

Mr. BURLESON. Is there any difference in their work?

Mr. PUTNAM. Yes. For instance, take the case of the correspondence of the division relating to the acquisition of material (here is a division which conducts all our international exchanges, involving correspondence with foreign countries and institutions). Now the chief takes care of all that. He also regulates the work of the employees.

Mr. BURLESON. The assistant does none of that at all?

Mr. PUTNAM. No, sir. The chief regulates the division of the work. He studies lines of development and policy. He determines and plans what catalogues are necessary. Of course all he does is done under recommendation and approval by me, but he follows up each line of cataloguing and bibliographic work. The chief assistant in this division has particular charge of the continental

publications, in the accessioning of them, in the assorting of them, and in the location of them on the shelves, and in reporting deficiencies. That is his special work, and that is practically all he does or can do during the routine year.

Mr. LIVINGSTON. As I understand it, Mr. Librarian, one is an overseer and the other is a laborer. Is that right?

Mr. PUTNAM. One is doing certain specific work and the other has the administrative oversight.

Mr. LIVINGSTON. He is the overseer, and it is not necessary for him to do detail work?

Mr. PUTNAM. He does some of it, because there is more of it than any one else can handle. But I do not wish to imply by use of this word "chief assistant" that during the main period of the year there are general administrative duties in that position. If it mean that I would like to withdraw it, and if so, I would withdraw it uniformly throughout the Library, so as to give uniformity; that is all.

Mr. BINGHAM. Have you any questions to ask, gentlemen, as to the six cases? They are all on the same line.

Mr. LIVINGSTON. What do you base the increase on?

Mr. PUTNAM. On the work they are performing, on the character of the men who are doing it, and fairness to them in comparison with what has been considered fairness to others doing only equivalent work in other divisions; to equalize the whole roll; to put these on the same basis as similar positions in other divisions in the Library.

Mr. LIVINGSTON. You do not put it on the ground of necessity, or the high cost of living, and so on?

Mr. PUTNAM. Yes, also. I put all these cases on that ground. The hardships of a man having to live on a salary of \$1,400 as against a salary of \$1,500 is greater than it was eight years ago. But that is a matter of policy which it seems to me your Committee will have before you as a whole, and I ought not to go into it. Here is a man, for example, at \$1,400, who, when I came into the Library, was receiving \$1,500. He is a man with six children. He was ill with typhoid fever last year, and several of his children were sick. How he gets along I do not know.

Mr. LIVINGSTON. What case was that?

Mr. PUTNAM. That was in the Music Division. I might tell you the hardships of people throughout the Library, people at \$900 a year, widows trying to support children, and all that—

Mr. BINGHAM. Does not that run everywhere?

Mr. PUTNAM. Yes, it runs everywhere.

Mr. LIVINGSTON. The reason I asked you the question is because it is coming up elsewhere.

Mr. PUTNAM. I see so many instances that are rather plaintive that I hardly venture to speak of them, for it would seem like appealing to the emotional side, while I would limit myself to considerations resting on the character of the work done.

LAW LIBRARY.

Mr. BINGHAM. You need the Law Library just as before?

Mr. PUTNAM. Yes. The law librarian is paid \$3,000, but it appears in two different places in the bill.

Mr. GILLET. What is the other place?

Mr. PUTNAM. It is under Indexes. \$3,000 is only a proper compensation, any way, for the law librarian.

Mr. GILLETT. Is that the one that is over here?

Mr. PUTNAM. Yes. Of course he is supposed to deal with all the law material we have, wherever located.

Mr. BURLESON. Who is the law librarian now?

Mr. PUTNAM. Mr. Beaman is in charge of the administrative work. Dr. Scott is working exclusively on the indexing to the Statutes at Large. I would recommend that the salary of law librarian be kept at \$3,000, but in one item, under one head. It seems better practice.

Mr. BURLESON. You have not asked for that.

Mr. PUTNAM. He is in this paragraph at \$2,500 and then has \$500 under the Indexing item at page 66.

Mr. LIVINGSTON. What are his duties there?

Mr. PUTNAM. Five hundred dollars is given as additional compensation to the law librarian in connection with the Indexes and Digests.

Mr. GILLETT. Is that permanent?

Mr. PUTNAM. I think that work will go right on. I do not think you will ever want to drop it.

Mr. BINGHAM. How long has that work been running?

Mr. PUTNAM. Two years.

Mr. BINGHAM. Has it increased in any way?

Mr. PUTNAM. I am not asking to have the salary increased; simply that it be put in that form.

Mr. BURLESON. I understood Dr. Scott got that.

Mr. PUTNAM. He did when he was law librarian. Now he is paid out of the additional appropriation of \$5,000 for expediting the part of the index since 1873. We simply threw Dr. Scott's salary over to that appropriation and put Mr. Beaman's on to this as law librarian.

Mr. LIVINGSTON. Have you two law librarians?

Mr. PUTNAM. We have one law librarian, and other people work on the separate appropriation of \$5,000.

Mr. LIVINGSTON. What do you call Mr. Scott now?

Mr. PUTNAM. He is on the indexing rolls. We do not call him anything.

Mr. GILLETT. That is not in the appropriation for the Library?

Mr. PUTNAM. No, sir.

Mr. GILLETT. Will not Mr. Scott go back as Librarian?

Mr. PUTNAM. That is a matter for the future, but I think not.

Mr. LIVINGSTON. Suppose the \$5,000 appropriation is stopped and he does not go back; then he loses out, and Mr. Beaman wins. Is that the proposition?

Mr. PUTNAM. If he does it will be for his interest and the interest of the public service, too. It will not be because of any recommendation here. It will be on independent considerations.

Mr. LIVINGSTON. I see it will be independent. It will be at your pleasure to drop Mr. Scott entirely.

Mr. GILLETT. That is not any of our business, anyway.

Mr. PUTNAM. Any intention or information which I have that the committee really desires I am perfectly willing to state. At present Dr. Scott has been switched over to that roll, and he is now doing exclusively that work.

Mr. LIVINGSTON. Now will you explain to the committee why you want a Law Library at all?

Mr. PUTNAM. It is the Law Library of Congress and the library of the Supreme Court of the United States.

Mr. LIVINGSTON. Are not the books all labeled? Can not anybody pick out the books?

Mr. GILLETT. That is the one in this building?

Mr. BURLESON. It is our own reference library?

Mr. PUTNAM. Yes, it is. We have not any law librarian over there, though we have a good deal of law over there; but it is administered from here.

COPYRIGHT OFFICE (AGAIN).

Mr. BINGHAM. Now, Mr. Putnam: Take up the Copyright Office by paragraphs and give us the reasons of the changes.

Mr. PUTNAM. The first is the Register of Copyrights, an increase to \$4,000. I regard it as only fair and even less than fair in consideration of the work and the responsibilities of the position.

Mr. BINGHAM. How long has he been there?

Mr. PUTNAM. Ten years.

Mr. BINGHAM. Now, the next.

Mr. PUTNAM. That is for an assistant register. There is no title of that sort in the office. It is a new position. There is very important business there, and there are also very important legal questions from time to time, and we have hoped that with this \$3,000 we should be able to secure a man who under this title would have authority to attach the seal of the office in the absence of the Register, and to administer the division in the absence of the Register, and who would also be a lawyer, and throughout the work of the year would be able to answer in a proper way questions involving law which are constantly addressed to the office.

Mr. BURLESON. How do these salaries compare with salaries paid in the British Museum?

Mr. PUTNAM. You see, they do not have a copyright office there. In Great Britain they have what is called Stationers' Hall, where entry is made if a publisher or author chooses to enter his work. But in Great Britain copyright protection attaches from the mere fact of publication. It is a very different system. You do not have to register at Stationers' Hall. You have to deposit a copy of the book in the British Museum and four other libraries if they ask for it, but you do not have to go through these steps in an office of record such as we have. It is because of this process here, upon which the validity of the copyright depends, that an office of record of high efficiency is necessary.

Mr. BURLESON. Have you a copy of the estimate or budget of the British Museum for last year?

Mr. PUTNAM. I have not got it here, but we have it, and of course I would be very glad to send it over. I have referred to it from time to time before the Committee. Their estimates are complicated somewhat from the fact that they have some sculpture, and they include provision for the South Kensington Museum. Their estimates total about \$750,000. These salaries ought to be paralleled more nearly with the salaries paid in the Patent Office here. I do not know of any office abroad that quite corresponds with ours.

Mr. BINGHAM. Now, as to chief clerk?

Mr. PUTNAM. We have a chief clerk who is also chief of the Book-keeping Division now. We have also a chief of the Application Division now. But we want to have a clerk who shall take care of the correspondence and be at the head of what we call the correspondence work, and we want to pay him \$2,000 where we now could pay him but \$1,800. That is a proposed increase.

Mr. BINGHAM. That is, you would retain the same employee and change the name, and increase the compensation \$200?

Mr. PUTNAM. Yes.

Mr. BINGHAM. Now, go to the next item.

Mr. PUTNAM. Five clerks at \$1,600 in place of four clerks at \$1,500, and one more at \$1,400. There is a definite increase of \$200 in the salary of an existing employee. That is one of the three increases proposed in the Copyright Office.

Mr. BINGHAM. Have those three increased men, all been with you for a long time?

Mr. PUTNAM. The Register has been here ten years, and the chief of the Correspondence Division, and the clerk at \$1,600 in place of one at \$1,400 very nearly as long.

Mr. BURLESON. How do you select the clerk that is to be promoted there? Do you take the one that has been longest in the public service?

Mr. PUTNAM. Other things being equal we take the one who is senior in the group receiving the next lowest salary.

Mr. BURLESON. It is not the personal favoritism of the chief of the Copyright Division, is it?

Mr. PUTNAM. The promotion is based on a report made by the chief of the division in which any vacancy exists. He makes a report to me, that there is a vacancy in such and such a position; that the character of the work is such and such, that—

Mr. BURLESON. Does he make monthly reports?

Mr. PUTNAM. We have monthly efficiency reports that do not signify much; but in making his certificate he has to report to me on the comparative claims of all the persons in the group next lowest below the vacancy. I have a sample here of a certain report in the Catalogue Division, which is one of the divisions in which there are more apt to be promotions, because there are 91 places there. Here is a vacancy at \$1,500, made vacant by reason of resignation. The character of work he reports on. Here is the assistant he recommends, and the service record of that assistant, and the report of his immediate superior; and then the relative claims to promotion of him and the other persons in the group below, the character of the work they do, how long they have been in the service, and what has been their service record. That includes what you refer to as the efficiency record, but we do not find ourselves able to say that seniority alone shall be conclusive. We take all those things combined, and, among other things, not merely the efficiency of the employee in the work he or she has been doing, but also the work that needs to be done in the higher position. Now, there is always a possibility that, in spite of the endeavor to compare fairly the claims of these various people, there will be some favoritism. The report comes to the chief clerk; it then comes up to me. We go into it, and if we have any

question brought to our attention as to the fairness of the report, or to a possible overlooking of the claims of any other employee, why we summon the chief for further information, and so on. No system is absolutely satisfactory. I do not know any better one than this.

Mr. BINGHAM. Now go right along, because we are inching on our time.

Mr. PUTNAM. An additional clerk at \$1,000, one at \$800, two at \$600, and two at \$480 each, and one additional messenger boy at \$360. All these additional people are ordinary subordinates necessary to meet the increased business of the office, which is not merely to be reckoned, as we believe, as the normal increase of 10 per cent a year, but upon unusual prospective increases from recent copyright legislation, which will add to the copyright applications.

Mr. BINGHAM. Give us the financial statement of the Copyright Office.

Mr. PUTNAM. During the past year the receipts have been about \$85,000. The salary roll has been about \$75,000. Then, stationery and sundries amounted to a little over \$1,000.

Mr. BINGHAM. In other words, copyright about meets its expenses?

Mr. PUTNAM. Yes, sir, and somewhat more. Even with this increase of force and salaries without any increase of the business during the coming year, the office would still meet its expenses.

Mr. BINGHAM. The distribution of card indexes, I think, you have already covered in your earlier statements.

Mr. LIVINGSTON. Instead of \$13,800 he wants \$16,800.

TEMPORARY AND SPECIAL SERVICE.

Mr. BINGHAM. "Temporary services?" Do you use all of that?

Mr. PUTNAM. Yes, sir; I wanted that phrase in.

Mr. BINGHAM. Including "extra special service of employees." What does that mean?

Mr. PUTNAM. That is meant to cover only one very particular case, and that is this: We have, of course, a great number of visitors to the building. We have parties who are sent over by Senators and Members with the request that they be shown certain parts of our work, and in many cases it is an advantage to the Library that they should be shown something more than the ordinary hallways that they can see for themselves; so, during the sessions particularly, we have tried to assign a person to accompany these parties, not an ordinary public guide, but somebody to tell them a little of the Library as he took them in, and we have paid these people for this service a dollar or at most two a day. We have had one man available through the morning and another through the afternoon.

Mr. BINGHAM. Generally the same men?

Mr. PUTNAM. We have used one of two men who were on the rolls of the Reading Room, where they have alternately afternoon and evening service and morning and afternoon service. It is an advantage, of course, to use those men, because they know so much about the Library and are far more intelligent, because familiar with the Library, than any we could get outside. We paid them only from

one to two dollars a day. During the last year the Comptroller questioned the propriety of this appropriation, because those people are already on the regular roll.

Mr. BINGHAM. Then your recommendation for this change comes by reason of inquiry by the Comptroller?

Mr. PUTNAM. Yes, because of a ruling made by the Comptroller.

Mr. BINGHAM. For Sunday opening you ask the same?

Mr. PUTNAM. Yes, sir.

INCREASE OF LIBRARY.

Mr. BINGHAM. Library purchases, the same?

Mr. PUTNAM. Yes, sir.

Mr. BINGHAM. Do you make an exhibit in your report of the purchases?

Mr. PUTNAM. We do not give a list of the purchases. We state how many books have been purchased. To give a list would be entirely too lengthy for the report. It would hardly justify printing.

Mr. BINGHAM. That \$100,000 goes through the Comptroller?

Mr. PUTNAM. Yes, sir.

Mr. LIVINGSTON. On page 66 there is a change.

INDEXES, DIGESTS, AND COMPILATIONS OF LAW.

Mr. BINGHAM. Indexes, Digests, and Compilations of Law. Why the change there?

Mr. PUTNAM. The change there is because that plan has been approved.

Mr. BINGHAM. You need the money asked for?

Mr. PUTNAM. Yes, sir. They have been working, since the appropriation was authorized, night and day and Sundays on the index to the Statutes at Large. Mr. Beaman and Mr. Scott are both working personally on that. The difference between them in their relation to our rolls is that Mr. Beaman is also taking care of the ordinary administrative work of the Law Library. But in addition to those two are these assistants provided for. We are devoting these exclusively to this indexing work. Now they have reached a point where they hope this spring to turn over to the printer the material for that part of the index covering the period since 1873.

Mr. BINGHAM. Does this compensation allowance of \$5,840 cover all the expenditures in connection with the work under the plan you have just completed?

Mr. PUTNAM. Not this year, because there was an additional appropriation of \$5,000 for expediting this part of the work, so that for this year it is \$10,840.

Mr. BINGHAM. Did you get that in the Sundry Civil bill?

Mr. PUTNAM. No, it was put in a deficiency bill last year. The whole amount is \$10,840 this year, but I am asking for next year only \$5,840.

Mr. BINGHAM. You do not ask this year for that which was in the deficiency last year?

Mr. PUTNAM. No, sir.

CUSTODY, CARE, AND MAINTENANCE OF LIBRARY BUILDING AND GROUNDS.

STATEMENT OF MR. BERNARD R. GREEN, SUPERINTENDENT.

Mr. BINGHAM. You ask for \$82,065?

Mr. GREEN. Yes. There is very little in this except the book stacks.

Mr. BINGHAM. Give us your reasons for the increases.

Mr. GREEN. The increase on the first page is for two telephone operators, making it uniform with those elsewhere throughout the city. I want them to have the regular rate. Then on the next page I want 16 laborers. I have 14. The work throughout the Library is increasing all the time. I have been getting along as best I could with 14 laborers. There ought to be 2 more. Of the charwomen who clean the building I have 45. There ought to be 5 more of those to help us along immediately.

Mr. GILLETT. Why do you need more than you have needed heretofore?

Mr. GREEN. There is more space to take care of, and more going on all the time, and more work.

Mr. GILLETT. It has been open all the time, has it not?

Mr. GREEN. Yes, it has been open, but not all used. We have a library now on the top of the house. That alone will take one person to take care of.

Mr. LIVINGSTON. Had you not better increase the hours and increase the pay of those you have got now instead of taking on more?

Mr. GREEN. No. They have to come there now at 6 o'clock in order to get through by 9 o'clock. They work more hours now than those in the other departments.

Mr. LIVINGSTON. On page 68 you have another change.

Mr. GREEN. That is only a change in designation; reference books instead of city directories. In fact, the city directory is the only thing I want to buy. The Comptroller checked me up for buying a city directory because I had no appropriation for reference books. Congress was kind enough to help us out.

ADDITIONAL BOOK STACKS.

Mr. BINGHAM. Now we will come to the construction proposition.

Mr. LIVINGSTON. We had that last session in detail, and it is all down in black and white.

Mr. BINGHAM. Have you changed your proposition since last year?

Mr. GREEN. It was discussed last year, or two or three different plans were discussed. The only thing is that this is consolidated into a definite plan, and a definite estimate is made for filling up the whole court and roofing it over. It is the most economical thing to do, if anything is done at all.

Mr. GILLETT. Was not that the suggestion last year, Mr. Green?

Mr. GREEN. Yes. We started out first to relieve the newspaper files, and the plans were made mainly on that basis; but it would be best to make an arrangement of the stacks partly for the newspapers and partly for volumes of books. The newspapers must lie in a different way for proper preservation. The whole thing is shown here

[submitting plans]. It is explained somewhat fully in the annual report.

Mr. BINGHAM. Is the detail in your report?

Mr. GREEN. Yes. There is a general description of what we undertake to accomplish, and an estimate of what it will cost, as low and as close as we dare to make it. That is also there in the report.

Mr. BINGHAM. Then I suggest this, that we will make reference to your report, and those who desire can go over to the Library at any time and get a personal explanation. That will be far more satisfactory.

Mr. GREEN. Yes. You can see the whole thing over there.

Mr. BINGHAM. That meets your wishes, Mr. Putnam?

Mr. PUTNAM. I think that is an admirable disposition of it. I know that several members of the committee did see the situation before, but their attention before, Mr. Chairman, was called particularly to the newspaper files, how the cellar is choked with them. For ordinary material, however, we have stacks to accommodate only 1,600,000 volumes, and we have now a million and a half, so that even for ordinary material there is an impending necessity for more space.

Mr. GREEN. I can leave these blueprints here with you [submitting same]. I have the originals. I hope you will come over and see the ground, and see not only the necessity for these stacks, but also provide for them.

Mr. Green submits for insertion in the Record the following extract from his Annual Report as Superintendent of the Library Building (submitted to Congress December 2, 1899):

In my last annual report account was given of the efforts that had been made toward an important extension of the shelving accommodations of the Library, especially, at that time, for the newspapers. It was shown how the already large collection of these was suffering for both safe housing and adequate shelving.

The subject, in the form of a recommendation and estimate for an appropriation to begin the construction of shelving for the newspapers in the southeast courtyard of the Library Building, was brought before the appropriation committees two years ago, but was disposed of for that year by the following paragraph in the legislative, executive, and judicial appropriation bill approved June 22, 1906: "For plans and estimates for a newspaper stack to be procured by the Joint Committee on the Library, if said committee shall decide such a stack to be necessary, \$2,500."

Prior to this the joint committee had adopted the following resolution, after consideration of the subject in the light of a personal examination of the conditions in the Library Building:

"The Joint Committee on the Library deems pressingly necessary a suitable provision for the accommodation of the files of newspapers now stored for the most part in the cellar of the Library Building, where they are inconvenient of access, subjected to injury for lack of proper shelving and in transportation to the Reading Room for use by readers, and suffering deterioration from excessive heat and occasional moisture; the committee recognizes that they can not be accommodated in the main stacks, whose shelving is designed for ordinary books and is now entirely required for these, with reasonable allowance for accessions; it finds upon examination no available space for the construction of a special stack for them in any of the ordinary rooms within the building, and unless additional land can be acquired for the erection of a separate building for them, it sees no other course feasible than the erection of shelving for them in one of the two easterly courtyards: *Provided*, The plans for the same shall be subject to the approval of the Joint Committee on the Library. In this connection the joint committee wishes to record its strong opposition to any encroachment on the free space of the two westerly courtyards of the Library Building."

No expenditure from this appropriation of \$2,500 has as yet been made, and it is therefore presumed that the committee has deferred action in the matter. In the meantime the situation at the Library has become still more pressing, especially in view of the fact above mentioned that it will require some two years to construct properly the shelving in the court, and it seems to be my duty to keep Congress informed of the importance of early action from the point of view of the Library.

* * * * *

The numerous contributory forces and sources, increasingly active in adding to the valuable material in every department of the Library, have already so generally occupied the building that a gradual but adequate extension of the shelving should be taken up systematically without delay. Properly located, constructed, and equipped, it will be an absolutely permanent and economical investment.

The present problem would be best and most economically solved, not only for the immediate needs but for the long run, by filling the southeast courtyard with shelving and roofing it over. The cost would be about \$320,000, and the construction simply a solid mass of iron and steel shelving with stone decks, arranged in nine stories or tiers, filling the entire court from the ground to the top of the present building and there roofed over. The upper or tenth floor should be reserved for an indispensable assorting room, under skylights and open to the outer air.

The roof should be of simple and inexpensive construction, without trusses or heavy framework, because distributed over many of the light, slender columns of the book stack itself.

No walls would be necessary, because the existing masonry court walls would completely serve the purpose and also act as a bracing and all-sufficient inclosure.

Skeleton stairs, elevators, and a simple, but most efficient warming, ventilating, and lighting arrangement would complete the outfit and give an immediate addition to the shelving capacity sufficient for ten or more years to come.

The construction described would be thoroughly fireproof and permanent, and similar to the existing permanent shelving in the building. The intimate proximity and accessibility of such a stack to all parts of the building, and especially those parts whose use would be most directly related to its contents, points to this as altogether the best solution of the present problem of additional shelving.

It is recognized that such an occupation of the court would cut off the daylight from the court windows of the surrounding spaces of the building, but these windows may be spared. They occur on but two of the four sides of the court, while the halls to which they pertain are already well lighted by windows in their opposite walls. Window lighting is not indispensable in book stacks, because they are naturally equipped, in any case, with artificial lighting that is superior to any practicable day lighting.

The above showing naturally suggests the question of the probable future or end of this increasing bulk and the corresponding call for shelving.

It is not at all alarming; not even serious.

If it be granted that the Library of Congress is to continue abreast of the times and become the chief if not only the general literary repository of the country, shelving accommodations for the gradual increase of the collections must be provided.

The problem of housing and preserving, usefully and economically, an indefinitely increasing collection of library matter is far simpler than may at first be imagined. Library buildings as ordinarily understood are not needed for this purpose. They would be wholly unsuitable. Only an extension of one of the plainest and least expensive sections of the ordinary library building is required.

When the present building shall have received all the shelving it may accommodate, without impairment of its efficiency as the Library Building proper, storage shelving may be extended into plain, simple, inexpensive but appropriate buildings in the neighborhood. These structures would be almost solid masses of shelving, and cost but little more than the shelving itself, while the contents would be equally accessible and available with the materials in the main Library Building. A mass of shelving and building of this character, only 150 feet square and 80 feet high, would cost \$1,000,000 and hold the enormous quantity of 5,000,000 volumes.

CIVIL SERVICE COMMISSION.

STATEMENT OF GENERAL JOHN C. BLACK, PRESIDENT OF THE COMMISSION, ACCOMPANIED BY MR. HENRY F. GREENE AND MR. JOHN A. McILHENNY, MEMBERS OF THE COMMISSION, MR. FRANK M. KIGGINS, CHIEF EXAMINER, AND MR. JOHN T. DOYLE, SECRETARY.

REASONS ADVANCED FOR INCREASES OF FORCE AND COMPENSATION.

Mr. BINGHAM. General, please give us a general résumé right straight through, as to why you make the changes for increased force and compensation.

General BLACK. The reason for asking for increase of force is of course the vital thing. We ask for the increase of force because the force we have now is not able to do the work with timely expedition. Under the restrictions of the statute we are no longer authorized to ask for the detail of men from the Departments to help us, and that work which formerly could be done with help lawfully obtained by detail is now done by ourselves, with such assistance as will be hereafter spoken of.

Mr. BINGHAM. You have been doing that for the last two years?

General BLACK. Yes, sir.

Mr. BINGHAM. Did we not at the time give you full and ample subordinate force?

General BLACK. You gave us substantially all that we asked for. Since that time there have been a great many inclusions in the service. There have been a great many duties added to the Commission by the enlargement of the operations of the Department of Agriculture and by the enlargement of others of the Departments and Bureaus, by which large technical forces have been added to the force of the Government which we are required to examine and certify.

Mr. BINGHAM. Did that necessitate an increase of force?

General BLACK. That necessitates an increase of force absolutely, if the work is to be brought up promptly from time to time. The illustration that is in my mind most strongly at this time is the result of the law in regard to the Labor Bureau, when it was required to enforce the law in regard to the examination of the woman and child-labor business. There was a very high grade examination. The qualification of examiners under that law is of the highest required of men of mere clerical positions. It involved a knowledge of law, it involved a knowledge of hygiene, and of sanitation, and of conditions of immigration; and the result was that we had a very great deal of work in properly testing those who applied. We did test them and did send a great list to the Department that required them, the Department of Commerce and Labor.

In another line of instances the Department of Agriculture has been enlarging its field so that it covers nearly everything now that can relate to the proper cultivation of the earth. For each and every one of the new branches which it has established it has required and continues to require men skilled in the required works, engineers, and those skilled in selections for materials, and plans for irrigation; all the knowledge of the chemistry of the soils. They have a great force along that line, and each and every one of those classes has been cared for by the Civil Service Commission. So in regard to every one of these large amplifications that have recently been made

by Congress, the Commission has been obliged to take in hand their preparation.

Mr. LIVINGSTON. In other words, General, the Congress and the Government are putting on you more work every day without ample force to do it?

General BLACK. That is the sum and substance of it, and we have not asked for a man that we do not think we need.

Mr. GILLETT. Are you behind-hand now, General?

General BLACK. We are behind-hand about 14,000 cases.

Mr. GILLETT. How much is that in time?

General BLACK. That means in time from six months to one month. Some registers we have not been able to bring up closer than within a period of 5 to 6 months.

Mr. BINGHAM. Is that because of lack of force?

General BLACK. Yes. And it is because the force has been worked to the limit; so that a number of them have been forced on the sick list—they were so forced in December, not through the grip, but they were obliged to take a needed rest.

Mr. BINGHAM. Speaking of the technical work that you have referred to as having been added to you, you have no allowance for the contingent expenditure? These examinations of papers must all be made up by your regular force?

General BLACK. Yes. That brings in one modification that I spoke of, and that is where the work is so highly technical that we find that we cannot possibly do the work; and for such cases we ask for the establishment of joint boards or commissions, one member of which, the technical member, will be of the Department or bureau requiring the work to be done, and the others of ourselves, to see that the law and requirements shall be kept, and then we will send these papers to the department man, not as a detailed man, but as a member of the department to do the work. He makes the preliminary supervision of the technical part, but final supervision comes to us.

Mr. GILLETT. Are your men competent to mark up the papers?

General BLACK. Some of them are. Ours is a commission that has a very high-grade set of men. The Commission has some wonderful men on its force. I do not mean the Commissioners themselves, but the force.

AS TO CENSUS.

Mr. BURLESON. What additional force would you require, General, if Congress should adopt the suggestion that you made to the President that in the census work you be permitted to select the supervisors and enumerators?

General BLACK. We would not be required to select either the supervisors or the enumerators. In our suggestion to the President it was understood that they be selected outside. Their employments are not annual, and their compensation can hardly be called salary. The enumerators work for only a few days.

Mr. BURLESON. What force is it you propose to appoint?

General BLACK. The whole great force of the Census Bureau in Washington—the clerical force. The President did not want to have anything added to the classified service except the clerical force of that bureau. The enumerators and supervisors are outside.

Mr. BURLESON. Why not select the enumerators and supervisors?

General BLACK. If you will have it, listen—

Mr. LIVINGSTON. I will tell you one reason. We do not want negroes in the South visiting people's houses in the backwoods and asking white women impertinent questions. If that should be done there would be trouble.

Mr. GREENE. Then you could put a white man in there after you had killed the negro. [Laughter.]

General BLACK. Enumerators are selected only for a few days in the year at a per diem salary, and under the general practice of the Commission and rules they are comprised within the excepted class.

Mr. BURLESON. The reason for it is that the employment of the enumerators and supervisors is for so short a period?

INCREASE OF SALARIES.

General BLACK. Yes; and their employment is purely local.

The reason why we speak for increases in our salary list is *ex aequo et bono*, it is the square thing to do. We ought to be paid. The men who are doing this work and are responsible for it, who are devoting their time and best thought to it, ought to be paid at least as much as the ordinary chief of a bureau.

Mr. LIVINGSTON. You do not need to make that argument to us. We raised our own salaries last year. You ought to have more money. It is a shame you do not get more.

Mr. BURLESON. I am afraid you had better submit your argument, because Colonel Livingston does not speak for the entire Committee. [Laughter.]

Mr. BINGHAM. In the matter of chiefs of division, did you claim that you make them consistent with other chiefs of divisions? Is that your claim?

General BLACK. Yes.

Mr. BINGHAM. Your remark a moment ago indicated that?

CHIEF OF DIVISION.

General BLACK. Yes. The one important chief of division for whom we ask more than the ordinary salary of a chief of division, \$2,500, an increase of \$250, is in the case of a man who is a law clerk, and we give that duly to him. He does a law clerk's work, and he is an old and valuable employee. He is in charge of the Division of Appointments which is a large and responsible division in the work of the Commission.

Mr. BINGHAM. What subordinate force has he under him?

ASSISTANT CHIEFS OF DIVISION.

General BLACK. A force of about 40 men. The next is a chief of division at \$2,000. That is an addition.

Mr. GILLETT. What line is that?

General BLACK. The eighth line down from the heading "Civil Service Commission;" one assistant chief of division at \$2,000.

Mr. GILLETT. Is that instead of one of these three examiners?

General BLACK. That is instead of an examiner.

Mr. BINGHAM. These are men you retain? You now have them in the service?

General BLACK. Yes, sir.

Mr. GILLETT. Instead of the three examiners, you call each one a chief of division?

General BLACK. We call one a chief of division, and two assistant chiefs of division. The increases cover one assistant chief of division at \$2,000, \$250 additional to one chief of division who now receives \$2,000, and \$100 additional to a person who now receives \$2,000 and is designated as examiner, it also being recommended in this instance that the title be changed from examiner to assistant chief of division.

Mr. GILLETT. They are going to do the same work they are doing now?

General BLACK. Substantially.

Mr. GILLETT. You are changing the title?

General BLACK. Yes, and the duties a little bit. They were to act as chiefs.

Mr. LIVINGSTON. And the increase is \$500.

CERTIFICATION CLERK.

General BLACK. One certification clerk has been in the service of the Commission since 1883.

Mr. BINGHAM. You increase him what?

General BLACK. Not at all; just give him a new title.

Mr. GILLETT. What is his title now?

General BLACK. His title now is "examiner."

Mr. GILLETT. Is he one of these three examiners above?

General BLACK. No.

EXAMINER.

Mr. LIVINGSTON. What is that examiner on the next page? Is that the new place?

General BLACK. Yes.

Mr. GILLETT. What are the other examiners getting?

General BLACK. Most of them are getting \$2,000.

ADDITIONAL CLERKS.

Mr. LIVINGSTON. You ask for 7 clerks instead of 6, on page 72 at the top.

Mr. BINGHAM. That is an increase of one.

Mr. LIVINGSTON. Then there is an increase of 4 below there?

General BLACK. Four in class 3, 1 in class 2, 3 in class 1, and 1 in class \$1,000.

Mr. LIVINGSTON. Twenty-nine.

General BLACK. Twenty-nine in class 1 instead of 26, and an increase of one at \$1,000. The other change is one messenger boy, \$480.

Mr. BINGHAM. That general increase of force you claim because of general increase of work?

General BLACK. Yes, because we want to do the work so that every time a Member of Congress calls on us for the status of a man in his district, or outside of his district, we can send him on the same day a full and complete answer; because we want it so that whenever a de-

partment officer or secretary calls on us to furnish a list of eligibles from which to make a selection we shall not be obliged to send back to him and say that the eligible list is exhausted, but that we shall be able to submit a list of three names. That is what we can do unless the volume of work is more immensely increased than it is now.

Mr. GILLETT. One question, General: Why should not the new clerks go in the lower grades? I notice you have more in the \$1,600 grade than in the others. You know, General, when we increase we do it in the lower grades and keep the upper grades smaller in number.

General BLACK. We have provided here for 65 clerks of class 1 and below it. More than half of our clerical force is below \$1,200. [See Exhibit A, page 33.]

Mr. GREENE. Mr. Gillett, the need of the Civil Service Commission is to get and keep high-class men on account of the peculiar kind of work we have to do. We find it difficult to keep men with technical requirements, in civil engineering work for example.

Mr. GILLETT. What do the clerks do? They do not act as examiners, do they?

Mr. GREENE. Yes. They are in the examining division.

Mr. KIGGINS. They act as examiners in that division.

Mr. GREENE. There is a great demand these days for people with a technical education, and they want to hold that class of people.

FIELD FORCE.

Mr. BINGHAM. Now, General, if you have finished that paragraph, go to the field force on page 73.

General BLACK. Instead of one examiner, we ask for two examiners at \$2,400 each, and the note states there that the salary of one examiner in Boston is to be increased to \$2,400. I want to claim the kindly attention of this Committee for one moment. I happen to know something about the reason why this \$200 addition was asked for in that case. The man doing that work is a man who is as good and faithful a public servant as the Government ever had. He is almost incessant in his attempt to do his work all the time. It is not possible for him to live in the city of Boston on the salary given. He has to appear like a gentleman; he meets every high official who comes there; he meets them as a gentleman. He has a little family, and when he spoke for this increase which we have recommended it was not with the weakness of a man, but with the strength of a man. He broke into tears. His situation was such that it was only by the closest sacrifice that he could live and do anything at all there on \$2,200 a year; and it was because he was good and faithful and long-trained and needed the money that the Commission recommended it.

Mr. BINGHAM. Now go on, General. You next come to three examiners.

General BLACK. Two examiners in Chicago and San Francisco. We have asked increases in their case because, first, the conditions in San Francisco are phenomenal; they are not simply exceptional, but they are phenomenal. You know, the public press has informed you, concerning the enormous figures there at which every necessity of life is bought. A bricklayer gets more money than our Secretary does, and that man goes over California, Washington, Oregon, Montana, Idaho, Arizona, Utah, and Nevada in the discharge of his

duty. He is an officer who is necessarily obliged to exercise independent judgment, owing to his distance from us. We are willing to pay a man so circumstanced an additional compensation if Congress will allow us the little increase asked for here, because we believe he is entitled to it, and in the labor market he would get a great deal more than that if he could leave and seek other employment. The man in Chicago is in the same situation. I want to say to you gentlemen that his work has been so painstaking and wise that last year when there were in the city of Chicago more than 1,300 temporary employments made, on the first day of January of this year that man had reduced those employments until they were substantially nil. The regular force furnished by the law was all that was left. We should recognize that kind of service.

Mr. GILLET. Which ones are those?

Mr. BINGHAM. San Francisco and Chicago. The others are current law.

General BLACK. The increases submitted in the field force are intended for the district secretaries at Boston, Chicago, and San Francisco, the men who represent the Commission as district agents or secretaries at the places mentioned for large and important assignments which cover several States. These men are experienced employees and have been in the service of the Commission for 18, 11, and 13 years, respectively.

RURAL CARRIER EXAMINING BOARD.

Mr. BINGHAM. Now take up the rural carrier examining board,

General BLACK. The work of the division is increasing every time a local office is changed to a classified office.

Mr. LIVINGSTON. It all comes back on these people.

Mr. BINGHAM. I was going to remark that I was surprised you were able to handle that increase each year with what we gave you.

General BLACK. If you go to the sick roll you will see the reason. Men are obliged to go off on leave in order to recuperate.

Mr. GILLET. This does not increase your force any. This is increase of salary.

General BLACK. I believe that is true.

Mr. LIVINGSTON. I do not think it is true from the fact that you are trying to hold these men with experience in the work.

General BLACK. That is true. One clerk of class 4 is asked for as an increase in that.

Mr. BINGHAM. Are there any other inquiries, gentlemen, now, with reference to the Civil Service Commission administration?

CONTINGENT FUND AND EMPLOYMENT OF EXPERTS.

General BLACK. I have nothing to add except this, that we are really and sincerely endeavoring to make a good account to Congress of every dollar they give us, and as earnest of that we will turn back to the Treasury some balances. One thing that I think the Commission is very earnest about is that the appropriation that we ask for, \$5,000, to provide for the employment of expert examiners from outside the Federal service, may be allowed us, in order that we may hire these expert men.

Mr. GILLET. Had you not better explain that just a little bit, General?

General BLACK. One of the departments sent to us for a man who is to occupy an expert position. There is no use in suggesting a fancy case: I will give you an actual case. The Bureau of Standards asked for a chemist, who should be an executive officer as well, and he was, they thought, a man who would be better selected outside of the Civil Service than from within it, because we did not have any machinery for testing the men of those grades. If we had had a small contingent sum with which we could have said to an expert, "Search the country over and get a list of experts, and then we will send you the papers and pay you a per diem to be spent in actual search, and report to us," it would have helped us. As it was, the Bureau of Standards went to the President and got an Executive order. Once in a while such a case comes. Once in a while, instead of our taking the whole labor of an examination on us and all the responsibility, we have to borrow the labor of a man somewhere else, and we do not like to borrow where we ought to buy. I ask leave to submit as a part of this statement some details showing the need for this contingent fund and the uses proposed to be made of it. [See Exhibit B.]

AS TO CENSUS (AGAIN).

Mr. BURLESON. I would like to suggest this to you, General Black: When you come to revise your remarks, I wish you would supplement them by any statement that the Commission may see fit to make, setting forth the reasons why a more economical and accurate and honest census could be taken if those clerks could be selected under the Civil Service Commission rather than selected by the various Congressmen throughout the United States.

General BLACK. Let me say we have never said it would be more honest.

Mr. BURLESON. I do not hesitate to say that I believe they would be more honest.

Mr. LIVINGSTON. You believe the examination of a man makes him more honest?

Mr. BURLESON. I have reason to believe that in the censuses heretofore taken they have not secured the facts exactly, and I do not hesitate to say that I am in favor of selecting these clerks by civil service examination.

General BLACK. Let me ask you if you want us in the supplement you ask for to discuss the matter excluding the supervisors and enumerators?

Mr. BURLESON. Yes, for the reason that I do not care to go into the reasons, as Colonel Livingston said. That is one of the unfortunate things that intrudes itself into every question, economical, religious, or anything else, in the South. Leave out the enumerators and supervisors. You say you do not contemplate that, any way. If you could avoid these things that Colonel Livingston suggests, I would not hesitate to say that I would rather see the supervisors and enumerators appointed through the Civil Service Commission too.

Mr. LIVINGSTON. I would suggest, Mr. Burleson, that you take out the word "honest" and put in the word "competent," because a record is being made.

Mr. BURLESON. I shall leave the "honest" in, so far as that is concerned. We know that the census was padded out here in Nebraska. It was admitted by the succeeding Director of the Census.

Mr. BINGHAM. General, does not an exhibit in your report—I have not seen it—show the expenditure of this contingent fund that you have asked for, \$6,500?

General BLACK. It does not show it except by anticipation. It shows what has been expended for it heretofore.

CLASSIFICATION OF THE CENSUS FORCE.

The following request was preferred for the Committee by Mr. Burleson:

General Black, when you come to revise your remarks, I wish you would supplement them by any statement that the Commission may see fit to make, setting forth the reasons why a more economical and accurate and honest census could be taken if those clerks could be selected under the Civil Service Commission rather than selected by the various Congressmen throughout the United States.

In response, the following statement is submitted:

The attitude of the Civil Service Commission in respect to the classification of the additional clerical force required at Washington for the Thirteenth Census is set forth in a letter addressed by it to the President on December 21, 1907, which appears in the special message of the President of January 6, 1908. See the Congressional Record of that date. The Commission believes that the noncompetitive examinations proposed in the Census Bill for this clerical force will result as in the case of the last census in increased wastefulness and inefficiency; in the demoralization of the force employed; in the diminished value of the census so taken, and in the lack of public confidence in its accuracy and impartiality.

There are at the present time sufficient eligibles on the departmental registers distributed by States from which these additional clerical appointments—about 4,000 in number—could be made. Should there be any need for the appointment of a greater number of eligibles than the Commission will have upon its registers, additional examinations could be held in ample time to meet all possible requirements. With respect to positions requiring technical or scientific qualifications the Commission has been especially successful in furnishing well-qualified persons, and could without doubt readily and promptly secure persons fully qualified for such positions in the Census Office. It is not proposed to apply examinations to the Supervisors or the Enumerators.

It was observed during the last census that while many efficient clerks in the Census Office were also able to pass the examinations of the Commission with high general averages, the great majority of those employed in that office, who took the clerical examinations of the Commission, were found to be far below the average in general intelligence and clerical ability. These persons had been appointed upon mere pass examinations held by the Census Office. Statistics prepared on this point on several occasions show that only about 50 per cent of the applicants who were employed in the Census Office were able to pass the Commission's examinations while of all other applicants for the same examinations throughout the country about 67 per cent passed. It may be presumed that only those census employees who thought themselves able to pass, took the Commission's examinations while others, presumably not so well qualified, refrained from attempting them. The fact that appointments to the Departments are made from those highest in grade on the Commission's registers would signify that there is a much wider margin of difference in intelligence and clerical capacity between the average employee of the last census and the average appointee in the Departments than these figures would indicate.

There was also a much greater equality in the apportionment of appointments by states under the civil service rules than under the methods in use during the last census. While certain states received an excessive share of appoint-

ments in the Census Office, other states fell far below the quotas to which they were entitled. It is well known that many persons locally resident in the District of Columbia or in nearby states were accredited to remote states and charged to the share of appointments to which certain members and Senators of these remote states were entitled under the method of distributing appointments then in force. Many appointees in fact were accredited to states they had never seen and to which they had not the slightest claim. This injustice in the apportionment of appointments in the last census was far greater than in the apportionment of appointments in the Departments under the civil service rules.

Such tests of fitness or examinations as to the intelligence and clerical capacity to be required for applicants for positions in the Thirteenth Census can be far more efficiently and economically conducted under the official machinery already organized under the competitive system. No material increase would be entailed upon the expenses of the Commission, as it would merely mean the marking and rating of a comparatively small percentage of additional papers. The general character of the duties to be performed by the census employees is quite similar to that performed by the great majority of employees in the Departments and the same degree of increased economy and efficiency resulting from the competitive system in the Departments would attend the application of that system to the Census Office.

Persons who have been examined under the civil service law and rules should in all equity and fairness be regarded as eligible for appointment in the census force. There is no reason or justice in setting that force aside to be filled under a different system from that prevailing generally in the Executive service. The merit system under the civil service rules is free from partisan color and so ought the census; otherwise no one can rely upon the accuracy of its conclusions. To gain the confidence of the people it ought to be not merely fair and just but free from even the appearance of corrupt or partisan influence. If a choice is made of noncompetitive examinations it will be a choice of a political agency to be composed of officials chosen for political or personal reasons and a presumption will thus arise against the fairness of the census so taken. And if it were fair many would not believe it to be fair. Suspicion is caused against such a census at the time of enumeration, and if at the close of the work inaccuracies are shown resulting in some cases to the advantage of the party by which it is taken, the work is sure to be discredited. It is of importance that the public should have faith in the honesty of the census. If it is believed that party leaders and organizations control admission to the examinations, it will cast discredit upon the showing made of our national resources and population.

The eminent statisticians who suggested the outlines of the Census Bill for the season of 1900 provided for putting it directly under the civil service rules. This provision was stricken out of the bill as reported. The application of the merit system to the census force was also urged at the time by the Economical Association, the Statistical Association, Chambers of Congress, Boards of Trade, and other industrial and scientific bodies. The adoption of a non-competitive system would be likely to have a marked influence upon the class of men willing to serve in the higher offices of the new census. Candidates of recognized statistical standing would be reluctant to be seriously considered if appointments are to be so made. On that point Doctor John Shaw Billings, who was in charge of the Division of Vital Statistics of the Eleventh Census, said in a personal letter to Professor Willcox: "The whole of my work in the census has been done in the face of great obstacles owing to the repeated changes of clerks for political reasons, etc., and I am tired of struggling with the most unpropitious circumstances which have surrounded the work." It is stated by all those familiar with the subject that the superintendents of the census of 1890 and 1900 were greatly handicapped and that instead of having time to study statistical methods they were obliged to turn over to political appointees the scientific labors which they had inadequately planned because overburdened by the labor of distributing patronage.

Under the law of 1883 the President has ample authority to extend or modify, by rules promulgated for that purpose, the conditions of entrance into the civil service of the United States, and to determine the class of persons in the Government employment to be selected and governed by these rules. If changes in rules or classification are needed in any direction, they can be made by the

President, and they should be intrusted to him in conformity with the sound policy embodied in the civil-service act. Where Congress has departed from this policy and prescribed that appointments for certain classes of places shall be made by noncompetitive examination or outside the civil service law the President and heads of Departments have held that they were not at liberty to make appointments from the eligible registers of the Commission. This is unfortunate because although the President and the head of the Department may believe that more efficient service could be obtained by making appointments from the eligible registers they would not be free to make appointments in that manner.

In an address made to the National Civil Service Reform League December 14, 1890, Honorable Carl Schurz said:

"The notorious wastefulness in the taking of the last census and the many imperfections of that work had, confessedly, in a large measure been owing to the organization of the census force on the political spoils plan. The enlightened public opinion of the country was therefore united in demanding that the taking of the census of 1900 should be organized on the basis of the merit system wherever practicable. But there are under the Census Director appointed by this administration, 2,500 clerks to be employed, and they, as well as the rest of the force, are to be appointed on the direct nomination by Congressmen. What kind of material is furnished by such nominations appears from a recent complaint of the Census Director reported in the press: 'They can not spell and they can not do ordinary arithmetic. Fifty per cent fail, and they fail because they can not divide 100,000 by 4,038; that is, they can not get a correct result.' And such men are urged for appointment by political influence. They would never have dared to apply under a competitive system. The pass examinations instituted by the Director will, as they always do, serve, not to secure the selection of the fittest persons, but only to eliminate the most incapable. This is common experience."

It is respectfully submitted to the Committee that the conditions above stated make it manifest that the census to be taken will be more economical, accurate, and fair if taken by officials selected under the civil-service law than if selected on the nomination of various persons throughout the United States, subject to the uncertain requirements of a "pass" examination.

In a debate in the Senate December 15, 1897, Senator Lodge said:

"The real proposition in regard to the present system—the merit system, as it is called—is that it is a great deal better than the patronage system, and that to return to the patronage system would be a very retrograde movement. The real vice of the old system is the utter irresponsibility of appointments. If the head of a bureau or of a Department could select his own subordinates, there would be little or no need of competitive examinations or of any artificial system to select them for him, but as a matter of fact no head of a Department or bureau does select his own subordinates, when it is left to him to do so, without civil-service examination. They are selected for him by Senators, by Members of the House, and by other persons not responsible for the work of the bureau or the Department. If the man responsible for the work of the bureau or the Department selected his own subordinates he would certainly select good ones, for his own credit and reputation would be bound up in the success of his administration.

"But when they are forced upon him from outside, then we have the anomalous and injurious condition of one set of persons selecting subordinates and another being responsible for their work. Into these general considerations, quite sufficient in themselves to justify and more than justify the present system, I shall not enter further."

"In what I have to say about this section in the census bill I desire to place my argument purely on the ground of business, and show that it is a better and a cheaper method of administration—cheaper to the people and more economical in the expenditure of the people's money—to take the clerks and subordinates from the registers of the civil service, under such examinations as the Director of the Census may request, than to have them appointed as the amendment proposes, which would result in making them subjects of patronage. I think this is a proposition susceptible of proof, and I desire, first, to ask the attention of the Senate to the statement of the superintendent of the last census, Mr. Robert P. Porter. He has an article on this subject in the current number of the North American Review, and I wish to read one or

two extracts from what he says. He enumerates the faults of the present system, and one of them, he says, is—

“‘Placing upon the shoulders of the superintendent, whose mind should be fully occupied with his experts in planning the work, the responsibility of the appointment of an office force of several thousand clerks.’

“He then inquires how those defects may be remedied, and says:

“‘First, by making the census a permanent office of the Government, and applying to it precisely the same rules and regulations as to the employment of clerical help as are in vogue in other Departments. If this were done, special civil-service examinations might be held for the work prior to the time the clerks would be needed, and the Census Office would then have a sufficiently large eligible list to draw from. In 1890 I accepted civil-service examinations of the higher grades, but that did not do away with the necessity of examining 2,700 clerks in the office, and this, with the work of appointment, literally took up all the time of the superintendent, whose mind should have been free for his purely statistical duties.’

“Then lower down on the same page he says:

“‘It will be better, in my opinion, to draw the clerks for the Twelfth Census from the classified service, but chiefly because by so doing it will strengthen the faith of the public in the census.’

“And then again—

“He says—

“‘why transform the Census Office at its busiest season into an examination department for clerks, and the director of a vast scientific investigation into a dispenser of political patronage? It is simply unjust to such an official. Having passed through the ordeal once, I am satisfied that the other way is more practical, and in the end will be better for all concerned.’

“Then, at the conclusion of the article, Mr. Porter says:

“‘If Congress expects an intelligent census it must not compel its director to chase all over the United States after mortgages on the one hand, and on the other to be chased morning, noon, and night by applicants for office.’

“That is the testimony of the Superintendent who carried on the last census.

“I have here a letter from Colonel Wright, the Commissioner of the Department of Labor. I saw him quoted as having said that the work of taking the last census cost \$2,000,000 more than it would have cost if the appointments in the Census Office had been made under civil-service rules, and I wrote to ask if he had made the statement; and if so, on what facts he had based it. He has replied in a communication which I shall ask leave to print in full at the end of my remarks; and I merely desire now to call attention to some of the statements he makes. He says:

“‘I should have very much preferred that the statement made relative to the saving of at least \$2,000,000 could have rested as a matter of opinion, but as you have called for the data on which I base this opinion, I shall furnish them. In doing this I am obliged to make comparison between the work of the Department of Labor and that of the Eleventh Census Office, and thus place myself in an attitude which may subject me to some captious criticism. The comparison I make is one between systems and not between administrations under the two systems, for in the case in hand, while at the head of the Department of Labor, I was for four years in charge of the Federal Census Office. Thus whatever comparison is made involves in some degree my own administration of the Census Office as well as that of the Department of Labor.

“‘The work of this Department—’

“That is, the Department of Labor—

“‘and that of the Census Office is of the same general grade. The facts on which reports are based are gathered by enumerators or special agents in both cases, correspondence, as a rule, being used simply for purposes of explanation or verification when needed.’

“Then he goes on to show how the cost of production in the Department of Labor and the census can be compared, and he gives a table which is the basis for the statement he made. The cost per thousand nonpareil ems of printed matter, exclusive of printing, engraving, and binding, was \$17.22 in the Department of Labor, and \$47.97 in the census. The total disbursements, exclusive of printing, engraving, and binding, in the Department of Labor were \$1,369,777.26—that is, from April 1, 1889, to June 30, 1897—and for the census it cost \$10,016,677.68. The total disbursements, exclusive of the sala-

ries and expenses of the field force and of printing, engraving, and binding, were \$875,000 for the Department of Labor, and \$5,670,000 for the census.

"Colonel Wright says:

"There are two basic comparisons in the foregoing table. The first relates to the total cost in the two offices per 1,000 nonpareil ems of matter, the cost of printing, engraving, and binding being excluded. Under this comparison the cost of production in the Census Office was 178.57 per cent greater than in the Department of Labor. The objection may be raised that this comparison includes the great cost of the force of enumerators and special agents employed in the census; so another comparison, the second one in the table, has been made, showing the cost per 1,000 nonpareil ems of matter, exclusive of the total cost of collecting the material in both offices and of the cost of printing, engraving, and binding the results; in other words, this comparison is based purely on the cost of compiling the material after it was collected. By this comparison it is seen that the cost per 1,000 nonpareil ems of matter was 146.68 per cent greater in the Census Office than in the Department of Labor."

"Then he goes on to analyze the figures in detail, and quotes from Mr. Porter some of the passages I have just read. The only other point to which I wish to call attention is what he writes about his own personal experience in the office. He says:

"As a matter of personal experience in the Census Office, and as substantiating the opinion which is the subject of this communication, I would say that the total amount expended under the administration of Mr. Porter, from April 20, 1889, to the date of his resignation, July 31, 1893, was \$9,380,223.80; under Mr. James H. Wardle, Acting Superintendent, from August 1, 1893, to October 4, 1893, \$253,001.52, and under my own administration, from October 5, 1894, to October 5, 1897, \$987,483.65. I do not hesitate to say that one-third of the amount expended under my own administration was absolutely wasted, and wasted principally on account of the fact that the office was not under civil-service rules. If this proportion holds good, here is direct substantiation of the opinion I have expressed relative to the saving of \$2,000,000 in the census had the force been under civil-service rules."

"You may ask why I expressed this opinion relative to the amount expended under my own administration. The answer is, that in October, 1893, when I took charge of the Census Office, there was an office force of 1,092. There had been a constant reduction for many months, and this was kept up without cessation till the close of the census. There was never a month after October, 1893, that the clerical force reached the number then in office. Nevertheless, while these general reductions were being made, and in the absence of any necessity for the increase of the force, 339 new appointments were made."

"That is, under that old system, while the force was being steadily reduced, new appointments were continually being made in the office when they were not needed, when they replaced experienced clerks and filled the office with beginners at the close of the work. Those figures, Mr. President, seem to me to show conclusively that it will cost a great deal more money to carry on the census under the system proposed by the committee's amendment than by placing it under the civil-service law."

"We have on this point the direct testimony of the Superintendent who carried on the last census, and of the head of the Department of Labor, who succeeded him, and in my judgment there is no escape from the figures they give. Therefore the question is, whether we shall deliberately place that great work under this special provision, at an increased expenditure of many hundred thousand dollars of the public money, in order that there shall be a few places here in Washington to which appointments can be made on the personal request of members of the House and of the Senate. That is what it amounts to. It seems to me in these days when economy in our public expenditures is so much preached, that here is a large economy which might well be made. The people have a right to demand a good Census and that no money shall be wasted in multiplying political appointments."

* * * * *

General Walker stated to me and I have heard him state it over and over again that it would be an immense saving of time to take the census clerks from the civil service registers. Mr. Wright gives all the figures here and an analysis for the expenses. All of these three superintendents agree as to a saving of time and a saving of expense."

EXHIBIT A.

FORCE OF THE COMMISSION.

The force of the Commission at Washington on December 31, 1907, was:

3 Commissioners at.....	each.....	\$4,000
1 Chief Examiner.....	.....	3,000
1 Secretary.....	.....	2,500
1 Assistant Chief Examiner.....	.....	2,250
3 Chiefs of division.....	each.....	2,000
3 Examiners.....	do.....	2,000
6 Clerks class 4.....	do.....	1,800
14 Clerks class 3.....	do.....	1,600
24 Clerks class 2.....	do.....	1,400
20 Clerks class 1.....	do.....	1,200
23 Clerks class E.....	do.....	1,000
20 Clerks class D.....	do.....	900
5 Clerks class C.....	do.....	840
1 Messenger.....	.....	840
1 Engineer.....	.....	840
1 Telephone switchboard operator.....	.....	720
1 Assistant messenger.....	.....	720
2 Firemen.....	each.....	720
2 Watchmen.....	do.....	720
1 Elevator conductor.....	720
3 Laborers.....	each.....	660
3 Messenger boys.....	do.....	360

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FORCE OF THE COMMISSION IN THE FIELD.

1 Examiner.....	each.....	\$2,400
2 Examiners.....	2,200
4 Examiners.....	do.....	2,000
2 Examiners.....	do.....	1,800
1 Clerk class 4.....	.....	1,800
1 Clerk class 3.....	.....	1,600
1 Clerk class 1.....	.....	1,200
7 Clerks class E.....	each.....	1,000
6 Clerks class D.....	do.....	900
1 Messenger.....	840
5 Clerks class C.....	each.....	840
2 Clerks class B.....	do.....	720
1 Messenger boy.....	480

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In the field there are 12 district secretaries, with headquarters located at Boston, New York, Philadelphia, Washington, Atlanta, Cincinnati, Chicago, St. Paul, St. Louis, New Orleans, Denver and San Francisco. In addition thereto there are the following local boards composed of Federal employees, numbering in all 1,433, with 4,363 members, serving without additional compensation, all of whose work is sent to and revised by the Commission in Washington:

Civil service district.	Number of boards.	Number of members.
1.....	148	379
2.....	155	465
3.....	156	315
4.....	60	196
5.....	80	266
6.....	156	456
7.....	152	463
8.....	105	263
9.....	123	369
10.....	45	137
11.....	28	83
12.....	87	223
Total districts.....	1,304	3,615

Civil service district.	Number of boards.	Number of members.
Other services:		
Engineer.....	46	283
Light-House.....	16	77
Ordnance Department.....	13	38
Quartermaster's Department.....	2	7
Military Parks.....	6	15
Reclamation Service.....	21	51
Miscellaneous.....	25	277
Total.....	129	748
Grand total.....	1,433	4,363

WORK OF THE YEAR.

The work accomplished during the year ending June 30, 1907, was as follows (the amount and diversity of the work has been largely increased during the six months between June 30 and December 31, 1907, but complete statements are not at this time available):

The number of persons examined during the year was 136,108, of whom 99,261 passed, and of these 44,288 were appointed. In addition 746 persons were transferred, and 1,578 reinstated on certificate of the Commission without examination, making a total of 46,712 appointments under civil service rules and labor regulations, but not including temporary appointments. The applicants, eligibles and appointees were distributed under distinctive parts of the service as follows:

Service.	Examined.	Passed.	Appointed.
Classified Service:			
For Entrance—			
Departmental.....	70,478	51,042	24,912
Government Print.....	472	333	59
Custom House.....	3,586	2,426	566
Internal Revenue.....	1,778	1,105	223
Post Office.....	51,022	37,769	16,454
Total.....	127,331	92,725	42,214
For Promotion.....	1,452	939	609
Transferred.....	528	253	177
Reinstated.....	6	8	8
Total classified service.....	129,317	93,920	43,008
Philippine Service.....	841	449	222
District of Columbia.....	259	118	
Merely unskilled.....	5,364	4,774	1,163
Naval Academy.....	323		
Transfers without exam.....			746
Reinstates. without exam.....			1,578
Grand Total.....	136,108	99,261	46,712

As compared with the previous year, there was an increase of 14,074 in the number examined, of 4,226 in the number who passed, and of 4,835 in the number appointed.

There were over 20,000 temporary appointments during the year, most of which were for very brief periods. Of these 2,300 were made from eligible registers, and about 10,000 required formal action by the Commission. The remainder were made under regulations or other authority requiring audit by the Commission.

EXTENT OF THE COMPETITIVE SERVICE.

The extent of the competitive service and the number of persons who have been examined and appointed under the civil-service act are shown by four-year periods in the following table:

Period (fiscal years).	Approximate number of competitive positions at end of period.	Examined.	Appointed.
1888 to 1887	19,345	33,343	8,612
1888 to 1891	33,873	72,409	16,974
1892 to 1895	54,222	112,713	17,749
1896 to 1899	93,144	176,626	24,560
1900 to 1903	135,453	265,082	73,743
1904 to 1907	196,918	517,493	170,959
Total		1,177,666	312,601

The increase in the number of competitive positions has been due to natural growth, action by Congress, and extension through Presidential order. The great increase during the period of July 1, 1895, to June 30, 1899, was due to extensions to parts of the service outside Washington by President Cleveland. The increase during the next four-year period was due to the classification of the Rural Carrier Service, and to the inclusion in statistics of employees at navy yards who had been under a merit system which was adopted by the Commission in 1896 with the approval of the President, but had theretofore been considered distinct from the employees classified under the civil service act. This explanation also accounts for the increase in the number of persons examined and appointed. Statistics by years show a decrease or much less than normal ratio of increase in the number of applicants during each year following a change in administration.

While the statistics show that the number of eligibles has been more than three times as great as the number of appointments during recent years, there has been a lack of eligibles for the higher grade positions, and of other kinds in certain parts of the country. The surplusage of eligibles has been greatest for mechanical trades and other skilled positions in the navy yard service and engineer and ordnance departments of the Army where the wages paid are determined from the average wages paid in private employment in the vicinity, and for positions of postoffice clerk or carrier, rural carrier, and others of a subclerical character. The surplusage of eligibles for postoffices has not been general, there having been a shortage for many postoffices, notably at Chicago, in the Middle West, the mining States, and on the Pacific slope. There is also an excess of female eligibles except for the Indian Service. During the year 7,122 female eligibles were entered on the register, but only 1,026 women were appointed.

The classes of eligibles for which the registers have been insufficient are such as stenographers and typewriters, bookkeepers, draftsmen, computers, civil engineers, patent examiners, post-office and railway mail clerks in certain localities, and for various positions in the Indian Service. The lack of eligibles is apparently due to better pay or opportunity for advancement in commercial employment.

CONDITION OF THE COMMISSION'S WORK.

The condition of the work on the 31st of December, 1907, was as follows:

At the beginning of January, 1906, there were on hand unrated 8,739 sets; on January 1, 1907, 12,503 sets, and on January 1, 1908, 14,542 sets.

At the present time the work is over five months in arrears, there being on hand papers from last August which have not yet been considered in rating owing to the limited force. There are also examination papers of succeeding months—September, October, November, and December. It is impossible with the present force to keep abreast of the work, and it is gradually falling more in arrears owing to the increase in the number of competitors examined. During the fall examinations for the post-office service there was an increase of over 20 per cent in the number of applicants. This meant several thousand additional sets of papers to be rated. The heavy increase for this particular service was probably largely owing to the increased salaries provided by Congress. A similar increase is expected this spring for the railway mail service, and for other services which have been affected by legislation in the matter of increased salaries. There has been no increase in the force of the Commission since July 1, 1903; in fact, a reduction of three was made in the force

of employees by the legislative act of June 22, 1908. The work has been gaining steadily on the examiners.

It is important to the public service that the examination papers of competitors should be promptly rated. This saves correspondence and delay in appointments, and also enables the Departments to secure the services of eligibles before they have tired of waiting and looked for other employment. A very large number of applicants have declined appointments after selection because of the long delay in rating their papers and the opportunity afforded them to secure other employment.

EXTENT OF THE CIVIL SERVICE.

The extent of the civil service was as follows:

On June 30, 1907, the officers and employees of the executive civil service numbered approximately 337,000, of whom about 197,000 occupied positions which are subject to examination. Of the 140,000 not subject to examination 8,147 were Presidential appointees, which includes 6,314 fourth-class postmasters and 640 notaries public for the District of Columbia. The others consist of departmental officers, collectors of customs and internal revenue, surveyors general, registers and receivers of the General Land Office, pension agents, Indian agents, U. S. attorneys and marshals. Approximately 132,000 are either excepted from examination by the rules, or employed as unclassified laborers, but statistics do not admit of a careful distinction between these classes. The larger part consists of employees of fourth-class post offices, there being 53,345 postmasters of this class and about 10,000 clerks. There were engaged on the Isthmian Canal work 22,704 persons, exclusive of clerks, bookkeepers, stenographers, typewriters, physicians, trained nurses and draftsmen, who are in the competitive service. For the remainder, about 4,400 are pension-examining surgeons, 2,000 agents, experts and student assistants in the Department of Agriculture, 800 surgeons, inspectors and attendants in the Public Health and Marine Hospital Service, 2,000 mechanics and laborers in the Quartermaster's Department and Light House Service, 2,700 Indians in the Indian Service. Of the remaining 40,000, about three-fourths are mere unskilled laborers, the greater part of whom are in the Engineer, Ordnance and Quartermaster's Department of the Army, and in the navy yards.

There are no parts of the executive civil service which have not been touched by the merit system. More than one-half of the positions are subject to examination under the civil service act, and the labor regulations have been extended to many parts of the service and require appointments to be made on the basis of physical fitness. The Post-Office Department is following the policy of retaining fourth-class postmasters during satisfactory service. A system of examinations, similar to that applied to the rural carrier service, would probably show favorable results. In a general way the exemptions from examination consist of private secretaries to heads of Departments and important bureau chiefs, attorneys, positions with low pay which would not invite competition, emergency employment, which can not await the result of examination, and employment in inaccessible parts of the country.

The civil service rules have not been extended to the Library of Congress, nor to the employees of the District of Columbia; but extension to the latter class has been repeatedly recommended by the Commissioners of the District of Columbia. A rigid system of examinations for the Consular Service with a school of instruction in the State Department has been established by Executive order, the appointees to have tenure during satisfactory service.

Tenure of service of collectors of customs and many other Presidential appointees is increasing in stability, probably due to a policy of reappointing efficient officers.

CONDITION OF COMMISSION'S APPROPRIATIONS.

The condition of the appropriations of the Commission December 31, 1907, was as follows:

Title of appropriation.	Amount appropriated.	Allotment to Dec. 31.	Amount expended.	Balance allotment to Dec. 31.	Balance available to June 30, 1908.
Printing.....	\$20,500	\$14,579.69	\$14,488.94	\$50.75	\$15,218.31
Stationery.....	5,000	2,500.00	2,497.37	2.63	2,502.63
Contingent.....	6,500	3,103.33	2,896.40	306.93	3,633.00
Library.....	250	123.00	111.54	13.46	138.46
Traveling.....	11,000	5,500.00	4,153.24	1,346.76	6,846.76

EXHIBIT B.

HIRE OF EXPERT EXAMINERS.

An estimate for \$5,000 to provide for the employment of expert examiners on special subjects from outside the Federal service, in cases where persons having the requisite qualifications cannot be found in that service, or where persons in the Federal service having the desired knowledge are not available for the purpose of preparing questions or rating papers, was inadvertently omitted from the estimates submitted for the fiscal year 1909, and to remedy this oversight a supplemental estimate will be submitted to the Secretary of the Treasury. In explanation of the estimate I would state that it frequently happens that an examination is called for by a Department to fill a class of positions not previously existing in the Federal service, or the examination may relate to highly technical subjects where the only employees familiar with those subjects are assigned in the office for which the examination is held. In such cases, in order to secure a representative series of questions and prompt and impartial rating of the papers it is highly desirable that the Commission should have funds to employ recognized experts from private life. The employment of such experts for temporary service is provided for by the rules governing the State and municipal civil service commissions of New York and others of the various State civil service acts and regulations, and a like necessity for the occasional employment of similar expert service is recognized in the appropriations for special agents and like positions in various bureaus of the Federal Government.

Respectfully submitted.

JOHN C. BLACK,
HENRY F. GREENE,
JOHN A. McILHENNY,
Commissioners.

SATURDAY, January 11, 1908.

DEPARTMENT OF STATE.

STATEMENT OF HON. ELIHU ROOT, SECRETARY OF STATE, ACCOMPANIED BY MR. WILBUR F. CARR, CHIEF CLERK.

CHIEFS OF BUREAUS.

Mr. BINGHAM. Mr. Secretary, if you will look at page 76 you will see two chiefs of bureaus at \$2,250 at present, and you ask for an increase for them to \$2,500. Are those special chiefs with exceptional duties.

Secretary Root. Yes; those are the chiefs of the Diplomatic Bureau and the Consular Bureau. The increase to \$2,500 has been asked regularly every year for all the bureau chiefs. Last year, finding that your Committee had rejected that just and unimpeachable claim, I said to the Senate Committee, "Now please give something additional to these two which in my opinion have the greatest responsibility;" and they put on \$150. The others get \$2,100. These are \$2,250.

Mr. BINGHAM. I see we gave you an increase of some 15 in the subordinate force in the last bill. I have not the details now in mind. At that time we declined this special appeal?

Sec. Root. Yes, and the year before that, and the year before that; two years ago, and three years ago, and every year.

Mr. BINGHAM. You pressed with the same earnestness this increase then?

Sec. Root. With continually increasing earnestness. If the appropriation cannot be increased, our earnestness must be. Mr. Carr, you

have some figures on that. I wish you would let Mr. Carr tell you what the circumstances of the office are about the salaries of these gentlemen.

Mr. BINGHAM. You mean in the increase of work in your bureaus?

Mr. CARR. About the salaries the Secretary was speaking of.

Sec. ROOT. I mean the history concerning the appropriations for the salaries of these chiefs of bureaus.

Mr. CARR (reading): "The salaries of the chiefs of bureaus in this Department have been notably inadequate to the character of the work they are called upon to do. The salaries of the officers were fixed by the act of March 3, 1873, at \$2,400; but in 1876, about thirty years ago, they were reduced to \$2,100, and have remained at this low figure since that time, until last year, when the salaries of two of the eight chiefs were raised by Congress to \$2,250. The salaries are out of proportion to the responsible work they have to do, and in my judgment the increase recommended is fair and reasonable."

Mr. BINGHAM. How about the other six?

Mr. CARR. This includes all of them.

Sec. ROOT. That is to say, in 1873 Congress fixed the compensation at \$2,400.

Mr. BINGHAM. How many chiefs had you then?

Mr. COURTS. There has been only one increase since then, and that was made when the Department of Commerce and Labor was created; then an additional chief was created.

Mr. CARR. The chief of the Bureau of Trade Relations.

Sec. ROOT. Yes; that was the residuum from the force provided for the negotiation of reciprocity treaties. You will recall that in 1876 the country had struck an era of poverty, following the panic of September, 1873. The cutting down of these salaries from \$2,400, at which they had stood, to \$2,100, was a part of a general attempt at economy. Thirty-two years have passed. We have returned to prosperity and wealth, and the cost of living has enormously increased, and the salaries of the President and of the Supreme Court and of the members of the Senate and of the House and of the Cabinet have been put up, and compensation in private employment has increased and wages have increased all over the country, and yet these gentlemen are kept down on a basis below that which was originally fixed by the judgment of Congress 34 years ago. I do not think it is right.

Mr. BINGHAM. Mr. Secretary, how long has been the term of service of these gentlemen? Have you any memory of that? The Secretary has emphasized the date. Are these the same chiefs of division?

Mr. CARR. Oh, no.

Mr. BINGHAM. They are new men?

Mr. CARR. They are new men. One of them has been a chief for ten years, another has been a chief for approximately nine years. One of them has been a chief for three or four years.

Mr. BINGHAM. They are comparatively new men who have come in within the past six or eight years?

Mr. CARR. They are new men, that is, men who have during that period been promoted from the ranks of the Department to the position of bureau chief. All have had long experience in the Department.

Mr. BINGHAM. Now, Mr. Secretary, is there anything more on that point that you wish to state?

Sec. Root. I think that covers that point, except I think there are differences in the importance and responsibility other than those which are indicated by this distinction of last year's bill.

Mr. BINGHAM. Yes; but Mr. Secretary, your force is a very limited force, and therefore your chiefs of bureaus have a limited subordinate force. There are not many in each bureau?

Sec. Root. No. But I would say this, after answering your question about the limited force under them, that quite a number of these chiefs of bureaus have heavy and responsible personal duties, not merely controlling the clerks under them. The chief of the Consular Bureau and of the Diplomatic Bureau and of the Bureau of Citizenship—it was called the Passport Bureau, but is now called the Bureau of Citizenship, have to be experts, and they have duties of a very high degree of importance to perform.

Mr. GILLET. They are experts in what?

Sec. Root. The chief of the Diplomatic Bureau is an expert in diplomatic questions, diplomatic history, diplomatic correspondence. There is a great range of correspondence that he has to attend to, and he has to have the knowledge to do it without getting instructions, and then he has to have the knowledge to enable him, on instructions as to the character of communications, to draw them up.

Mr. GILLET. He dictates the diplomatic correspondence himself? They do not go to any of the Secretaries?

Secretary Root. It would be impossible for the Secretaries personally to dictate the great bulk of the correspondence.

Mr. GILLET. That is done, of course, by the subordinates, but it is routine work?

Secretary Root. Not merely that; the correspondence comes to the Secretary for signature, but the Secretary can not dispose of the great mass. To be sure, they are governed by precedents; they follow decisions and action previously taken by the Secretaries; but you have to have a man who knows the precedents.

Mr. BINGHAM. Further than that I suppose. Mr. Secretary, you have to have what are called continuing students?

Secretary Root. Yes; Secretaries come and go; these men have to instruct the Secretaries. Continually, when things come up that I do not know about, I send for Mr. Smith, head of the Diplomatic Bureau; I send for Gaillard Hunt, who is head of the Bureau of Citizenship; they tell me what the history is, what has been done in the past, what the settled practice of the Department is.

Mr. GILLET. What kind of a question, for instance, would that be? Can you give an illustration?

Sec. Root. A Turk applies for a passport and wants to go home. The issue of that passport to him is likely to raise a question which involves a whole history of a long and still unsettled question with Turkey about the rights of expatriation. A Russian, a naturalized citizen from Russia, a Jew, applies for a passport, and—

Mr. GILLET. I see.

Sec. Root. There is an infinite number of questions. The minister of a foreign country here applies to us to have something done, some redress, regarding one of his compatriots in this country who makes some complaint about the treatment he has received.

There probably have been hundreds of cases like it; those cases, with little distinctions and variations, are so near alike in nature

that it would be a frightful waste of time for the Secretary to take up each one as a new question rather than in the light of history. There must be somebody in the Department who knows that history. These are the men who know.

Mr. GILLET. The heads of bureaus?

Sec. ROOT. Yes, sir.

INCREASE OF CLERICAL FORCE.

Mr. BINGHAM. Now, Mr. Secretary, you come to the question of your increase of subordinate force, your clerks of classes one, two, three, and four. We gave you in the current law 15 additional subordinate force. You now ask for 15 additional, in classes one, two, three, and four. What is the total number of your subordinate force now?

Mr. CARR. We have 113.

Mr. BINGHAM. In the current law?

Mr. CARR. Yes, sir.

Mr. BINGHAM. Now, Mr. Secretary, you have 113 subordinate force, clerical. We gave you for the current law 15 additional. You now ask for 15 more. We wish information, Mr. Secretary, simply as to why that seemingly large increase is required.

Sec. ROOT. Possibly we are emboldened by your past generosity.

Mr. BINGHAM. That is a pretty good way to put it, inasmuch as that generosity has been pretty well pronounced. Since 1894 we have given you 60 people, and you are justified in your remark. We have given you sixty.

Sec. ROOT. I wish to express grateful appreciation of that course of conduct. Perhaps I ought to mention the fact that of the sixty, the greater part consisted of putting onto the regular appropriation a clerical force that had for many years been carried on what was called the emergency roll and paid out of the emergency appropriation—a practice which we discussed here, and which we all agreed ought to stop. I think I said to the Committee that I thought it ought to stop and that it should stop, and that I would like to have you say how many clerks you would give us, and I would get on the best I could with those, and if the public business suffered the responsibility would be yours, and not mine. That accounts for that great increase.

Mr. BINGHAM. I remember that very well.

Sec. ROOT. Then the 15 last year, a part of the 60, were practically, specifically for the purpose of inaugurating a new system of indexing and preservation of the records. In the great growth of the business of the Department the multitude of papers, of correspondence, of documents, had become so great as to swamp the Department. We had reached a point where I could not get a paper when I wanted it. They had to go and fumble around and hunt until I had passed on to some other business, and it was absolutely necessary, in order to have public business continue there, that we should have some system. I sent several men from the State Department into the War Department, where I had become familiar with the method of indexing and preservation of the records and had helped to develop it, and General Ainsworth was good enough to undertake to instruct these gentlemen. Then he loaned me one of his best men to come

into the State Department and give instruction, and we inaugurated there substantially the system which has been worked out for many years and perfected in the War Department under the very exceptional ability of General Ainsworth. That required these additional clerks for the purpose of indexing and briefing and keeping records, and putting on the backs of the papers the proper indorsement, so that we have not had, General, any substantial increase of the general working force of the Department.

Mr. GILLETT. But, Mr. Secretary, the fifteen clerks would be, of course, would they not, to index not the current, but past documents, and when they caught up would you not have them at your service for other work?

Sec. Root. They have not been able to do very much on the past work.

Mr. GILLETT. Oh, they have not? You need those 15 right along for your current work?

Sec. Root. Yes.

Mr. GILLETT. It does not seem that you would need the work of 15 clerks to index the work of a hundred.

Sec. Root. They have not alone to index the work of a hundred, but the work of in the neighborhood of forty embassies and legations, and several hundred consulates.

Mr. GILLETT. I see what you do.

Sec. Root. You do not get the full scope of the work here by merely considering the number of clerks in the Department. These papers are pouring in from all over the world.

Mr. GILLETT. You will need these 15 in order to keep up the current index.

Sec. Root. Yes, sir.

Mr. Carr. We need those that we have there now, and we need some of these others to help out with that work and with the current work of other bureaus.

Sec. Root. Mr. Carr has made some figures here showing the growth of business. From 1887 to 1907 the increase in pieces of mail was from 36,925 to 94,000.

Mr. GILLETT. That is, both incoming and outgoing?

Secretary Root. I suppose so. That is an increase of 156 per cent. I think that fairly represents the general increase in the business of the office. You see we have come into contact really with the entire world within comparatively a few years, and a multitude of questions are coming up constantly now with countries that we never had anything to do with practically before.

Mr. BINGHAM. Questions are coming up now that were not even thought of before?

Secretary Root. Yes. Within a few days has come a Minister from Greece, from whom we are receiving constant communications with regard to the Greeks in this country. He has come here charged, of course, and properly, with the protection and looking after the welfare of the citizens of Greece who are scattered all over the country. The enormous immigration has brought that about regarding most of the nations of the earth. The Chinese, the Japanese, the Hindoos, the Greeks, the Huns, the Slavs, are pouring in here by the hundreds of thousands, and the Italians; and those people here make business, and our people are going all over the world with their

capital and their trade and their travel, and that makes business on the other side; so that when we say the correspondence has increased 156 per cent, I do not think that at all overstates the general increase of business in every direction.

Mr. BINGHAM. Mr. Secretary, if you desire to say anything more with reference to this suggested or recommended increase on your part of 15 subordinate force, we shall be glad to hear you. Three of that force are of class two, five are of class one, and six of them are at \$1,000 each. Aside from those there is one at \$900. The others represent a sum total of 15, all clerks, and you make that recommendation upon the ground of the large increase of business. Is it your purpose to establish anything new with this increase of subordinate force, as you did a year ago to-day when you needed five clerks?

Secretary Root. No.

Mr. BINGHAM. This is for general business and general assignment under existing conditions?

Secretary Root. Yes, sir.

Mr. GILLETT. Did all these 15 last year go on to this file-keeping force?

Secretary Root. I think 13 of the 15 were assigned to that work.

Mr. CARR. We did not get two that we asked for last year. We lacked two of getting what we asked for.

Mr. GILLETT. How many of these new ones, if you should get 15 more, would go on the file force?

Mr. CARR. The recommendation of the chief of that bureau is for six.

Sec. Root. He would not get that many.

Mr. CARR. There are also other needs in the Department that would probably cut that down for him. Last year Congress passed an act in regard to citizenship, requiring certificates of registration, just what the Secretary has been speaking of. Since July the Bureau of Citizenship has examined and passed upon 2,100 certificates of registration sent from abroad, so that you can see the increase of work there.

Mr. GILLETT. Will not that diminish now after you once catch up?

Mr. CARR. No, it will never diminish; it will increase, if anything. In the Bureau of Trade Relations there has been an increase from 1904 to 1907, in three years, of 2,007 trade reports examined. Since July 1st of the current year the increase in trade reports examined has been 82 per cent.

Sec. Root. That is to say, the consular reports—

Mr. GILLETT. Of our consuls?

Sec. Root. Yes, of our consuls; the consular reports, which are edited in the State Department, and matters which ought not to be made public are cut out, and then they are sent over to the Bureau of Manufactures of the Department of Commerce and Labor, and there published in the daily consular reports.

Mr. BINGHAM. They are all subjected first to your critical examination before being sent to Maj. Carson of the Bureau of Manufactures?

Sec. Root. Oh, yes. There are many things in them that ought not to be published. A consul has got to say things about other countries, in order to tell the truth, that it would not do to publish.

Mr. GILLETT. You censor, them, then?

Sec. Root. Yes.

Mr. BINGHAM. Does the immigration, together with what seems to be a very large emigration, touch your Department in any form?

Sec. Root. Oh, yes, every day.

Mr. BINGHAM. The larger the emigration and immigration may be, the more they add to the necessities of your subordinate force?

Sec. Root. Yes; the size and amount of immigration touches it, because all of these aliens that are here are being looked after by the representatives of their governments, and there is a continual trouble going on; we are all the time having to apply to the governments of the States—

Mr. BINGHAM. You are a court of appeal, as it were?

Sec. Root. The State Department is the medium of communication between the Government of the United States and the governments of the States. An Italian is shot, a Greek is run out of town, a Jew is abused, a Japanese restaurant is stoned. Somebody from this or that or the other country conceives that he is not getting his rights. His ambassador or minister comes to the State Department; the State Department has to apply to the government of the State in which the alleged injury was done, and has to get the machinery of the State in motion; has to get information with which to answer the foreign government that is undertaking to protect its citizens. If, as frequently happens, the government of the State will not pay any attention to our representations, we have got in some way to satisfy them. Then we have to appeal to the Department of Justice to get them to make an independent investigation. We have to ascertain what the real rights are, and find out whether or not there is any justice in the complaint. Sometimes they are very serious. Then, quite apart from the amount of immigration, there is a very great increase of work coming from the change in the laws regarding immigration. We have got here new statutes which set up a great many causes of exclusion.

Mr. BINGHAM. That is the new law?

Secretary Root. Yes; and providing a great deal of machinery for enforcing the provisions against the introduction of criminals, the introduction of diseased persons, the introduction of contract labor, and the introduction of solicited or assisted immigration—a great variety of things. The application of all those statutes involves complaints by foreigners who seek to come in here and consider they are denied the right of entrance but ought not to be denied. Those questions come up before us, and we have to take those up.

Mr. BINGHAM. Now, Mr. Secretary, have you anything to add to your recommendation for the increase of these fifteen clerks, or have you already covered the ground?

Secretary Root. Well, I think I would like to add this: There was, as you will recall, an organization which was engaged, during the time Mr. Hay was Secretary of State, with the negotiation of reciprocity treaties, with Mr. Casson at the head of it, Mr. Colman next under Mr. Casson, and as assistant to Mr. Colman a very competent young man, Mr. Osborne. That organization was being supported out of the emergency fund. The treaties were negotiated, but they were all rejected or killed in the Senate, and I did not consider we were justified in keeping up the organization out of the emergency

fund, and abandoned it; but you made a small allowance for this Bureau of Trade Relations in order to keep alive some of the knowledge that had been acquired. I do not think that force is sufficient.

Mr. GILLETT. How large is the force?

Sec. ROOT. Five clerks. That force has all this editing to do of the consular reports, and all questions which relate to foreign trade go there to be dealt with and to be answered. There are questions continually arising under our trade relations with foreign countries. Even the little faint residuum of authority that rests in the President under Section 3 of the Dingley Act gives rise to proposals for agreements and the necessity for agreements. Unless we are to have most serious disturbance of our trade, the making of these agreements requires extensive and accurate knowledge regarding the tariff systems and tariff procedures of foreign countries as well as of our own country. Secretaries of State and Assistant Secretaries are not tariff experts. They are not expected to be. There must be somebody who knows and keeps track of the subject. I do not think that force is adequate; I think it is overworked, and I do not think it can properly deal with the subject. And that subject is going to become more and more important. The greater part of the European countries have gone on to a double standard of tariffs—part of them a maximum and minimum tariff, and part of them an autonomous tariff with a series of conventional arrangements; France with her maximum and minimum, Germany with her general tariff and conventional arrangements with everybody, which practically amount to the minimum.

Mr. BINGHAM. In other words, Mr. Secretary, as I understand you, not only the two nations you have mentioned, but perhaps other governments are considering changes of tariff while we are not. These remain the same? These are the conventional acts?

Sec. ROOT. Practically all the principal governments of continental Europe have already put themselves on a basis where there is power in the hands of the executive to punish or reward a country in accordance with the way it treats them in tariff matters.

Mr. BINGHAM. To a larger extent, Mr. Secretary, than ever before?

Sec. ROOT. To a larger extent than ever before. We have got to get into a shape where we can meet them. Otherwise we are going to get shoved out by reason of lower tariffs being given our competitors in every direction. When things of that kind come along we can not come to Congress and get Congress to pass a law to meet each incident. There ought to be somebody in the State Department who will know what the meaning is when one of our embassies or legations says to us, "such and such a bill has been introduced in the parliament" or legislative body of the country where he is accredited, affecting the tariff; somebody who will know what it means when a foreign government says, "We are proposing to make such a change. What will you do to prevent it?" Or, "We will do so and so for you if you will do something for us." You can not get a bill passed in Congress for everything of that kind. Things of that kind are increasing, and will keep on increasing.

Mr. GILLETT. That goes to the State Department rather than to the Treasury Department?

Secretary ROOT. It goes to the State Department. I have been talking with Mr. Cortelyou and Mr. Straus, Secretary of Commerce

and Labor, on the subject of getting some sort of coordination between our experts. There is not any now. When I was confronted with the very serious situation as to the German tariff—a situation in which it seemed as if we must do something in order to prevent a real tariff war with Germany, without any fault on their part, with the best of intention on their part—I went around and borrowed experts, one from the Treasury Department, two from the Department of Commerce and Labor. I got the Superintendent of the Census, because he had formerly a great deal to do with the tariff. I was not entitled to them, but I sent them over to Germany to study the subject and get familiar with it. Now, whether the outcome was good or bad, this certainly led more intelligent consideration than would have been possible otherwise. When they got back there was trouble about their pay. The Comptroller refused to pay the expert of the Treasury who had been in Germany studying the conditions in Germany for the purpose of showing what we could and what we could not urge reasonably that Germany should do, in order that we might avoid butting our head against a stone wall, in order that we might avoid being unreasonable and therefore unsuccessful. When this expert, who came from the Treasury Department, who went over there under the orders of the President that I had procured, came back the Comptroller refused to pay his salary because he had not been doing the piece of work in the Treasury that he was employed for.

MR. GILLET. On what ground did the Comptroller disallow his payment?

Secretary Root. The Comptroller would not pay his salary in the Treasury Department because he had been away from his job. Now, I have been talking about getting some kind of system of coordination under which the specialists and experts appointed by the Government, who are a multitude, may be available. We have not got up any plan yet, and I do not know whether we can succeed in doing it; but we have got to have somebody to whom we can turn, and somebody that we can call upon for expert assistance. This is all done now by the gentlemen in that bureau and his little force of assistants, at the present time. I think that he ought to have more force.

MR. BINGHAM. Now, Mr. Secretary, as to the possible extension or enlargement of your work in the immediate or near future, will the relations recently inaugurated for closer intimacy with South America, as well as the recent discussion of relations with Central America, give rise to a larger line of work for your Department in a short time, within the next year? Will the result be such as to give you increased work?

Secretary Root. I think there will be a natural increase arising from the increased relations that will come from it.

MR. BINGHAM. That is what I referred to.

Sec. Root. Of course our people are pushing down into the Latin-American countries, Mexico, Central America, South America. The more favorably they are received, the more money they invest in particular enterprises, and the more work they do, and all that brings in more work for the State Department. There are now over 40,000 Americans in Mexico. It is estimated that over \$700,000,000 of American money has gone into Mexico within the last ten years, either in mines or manufactures or agriculture and business of all kinds. Two-thirds of all the imports into Mexico come from the United States,

and two-thirds of all their exports come to the United States. The result is that the correspondence between the State Department and the Ambassador of Mexico is a daily correspondence, going on all the time. The Ambassador of Mexico here is at the Department, not merely on the regular diplomatic reception days, but he is going to and fro constantly. The questions that come up are enormously increased with this tremendous increase of business, and it is that way all over the Latin-American countries, but to a less degree. Americans are just completing a railroad in Ecuador up to the capital, Quito. They are expecting to open it in March or April, next spring. They are proposing to have an exposition to celebrate the opening of the road and at the same time celebrate the hundredth anniversary of the Declaration of Independence of Ecuador, which, you know, was the first in South America. That will be next year, 1909. They rely upon us to go to their exposition and to have a pavilion there, as they had at Buffalo, a very handsome one, and they expect us to take the lead in recognizing this exposition. That is because they have come to consider that we are particularly their friend, and they look with satisfaction upon us.

Mr. BINGHAM. The closer relations between the United States in South and Central America today will largely increase the work of your Department?

Sec. ROOT. Yes, because they will largely increase the development of trade and investment and enterprises.

Mr. GILLETT. Will some of these 15 clerks go into this Bureau of reciprocal Trade Relations that you wish to enlarge?

Mr. CARR. Yes, they will. One of them had been asked for at the time the estimate was made, but only a day or two ago the chief of that bureau was complaining to me that his present force was inadequate to the work he had in hand.

WATCHMEN FOR RENTED BUILDING.

Mr. BINGHAM. I see you have estimated for three watchmen for the rented building, 522 17th Street, Northwest. Are those watchmen needed?

Mr. CARR. Yes, sir. We have one laborer that we are trying to keep there at night to look after the building. No watchmen for the building were provided by Congress.

Mr. BINGHAM. There are no watchmen there save a detailed laborer?

Mr. CARR. No, sir.

Mr. GILLETT. Why do you need three watchmen for that little building?

Mr. CARR. We desire to place that building under Captain Poole, the Superintendent of the State, War and Navy Building, and he asked us to estimate for three. He has estimated for three in case Congress decides to transfer the building to his jurisdiction. The watchmen work only eight hours each.

Mr. GILLETT. Why do you need a watchman over there all night?

Mr. CARR. There are valuable records there. The seal of the Department is there.

Mr. GILLETT. I should think the same watchmen who look after the State, War and Navy building could look after that.

Mr. CARR. They are engaged in looking after the State, War and Navy building.

Mr. GILLETT. Why do you need a watchman there while the clerks are there in the day time?

Mr. CARR. The entrance is in the basement and absolutely exposed. Besides for more than half of the year the heating plant must be attended to.

Mr. GILLETT. It seems absurd that in that little building, a private residence, you must have three watchmen to take care of it. I do not see why it can not be run from across the street.

Sec. Root. We must act under the eight-hour law. All that shows how foolish it is to take up a railroad track when once you have it down. [Laughter.] We reduced the force of watchmen in the State, War and Navy building because we concluded we could get along with a smaller number. If we had not reduced it we could have sent some of them to watch that building; but having reduced them, we can not get them back. [Laughter.]

LABORER AND CARPENTER.

Mr. BINGHAM. I see you ask for five laborers instead of four. Do you need them?

Mr. CARR. We need one laborer to devote himself to the Department.

Mr. BINGHAM. You ask for one carpenter. That is entirely new?

Mr. CARR. That was submitted last year and explained to the Committee by the Secretary. We employ a carpenter all the time. We pay him according to the appropriation under which he performs the work.

Mr. GILLETT. Does he just make furniture?

Mr. CARR. He makes boxes for shipping supplies abroad, and repairs furniture.

Mr. GILLETT. You have one now?

Mr. CARR. Yes.

Mr. GILLETT. This is an extra one?

Mr. CARR. No; the one we have is paid according to the work he does. He receives no regular salary.

Secretary Root. I think I showed the figures last year, when it was shown that the annual cost was considerably more than this——

Mr. CARR. More than the salary we are asking for.

CONTINGENT EXPENSES.

Mr. BINGHAM. Now, Mr. Secretary, this other item of contingent expenses is seemingly, as it appears in the figures, a large increase, from \$7,000 to \$14,000, especially since the Department has heretofore operated upon a very much smaller allowance. This seems to run principally to the same terms of expenditure as those heretofore allowed. Will you be good enough to give us the reason for that increase?

Secretary Root. The present allowance is altogether too small.

Mr. BINGHAM. You do not seem to have come in for a deficiency for some years past.

Mr. GILLETT. It would not be safe.

Secretary Root. That is why it is too small. The old practice of taking an appropriation and then expending whatever was necessary for the public service, and coming in for a deficiency, made it of less consequence whether the appropriation was too small or not. If you are going to keep within the appropriation, however, and are not going to have a deficiency, it is pretty important to have the appropriation sufficient, so that the public service will not suffer.

Mr. GILLET. In general what did you need it for?—in a general way, not in detail.

Mr. CARR. Our file cases are practically filled up. If we do not have new file cases we have no place for papers, and our whole index and file system will go to pieces. In some cases we need new furniture and chairs. In others we need card index cabinets. We also need new typewriters. In the Bureau of Citizenship and the Bureau of Trade Relations, the bureaus that are occupying the new building which you gave us last year—those bureaus have never been furnished.

Mr. BINGHAM. The bureau where you have just asked for three additional watchmen has not been in any wise equipped with furniture?

Sec. ROOT. Some furniture was sent over.

Mr. CARR. Yes; some furniture was sent over, but there are no carpets and no suitable file cases or bookcases.

Mr. BINGHAM. Have you an estimate of what that will cost?

Mr. CARR. The Secretary is sending you a detailed estimate of that, and other needs in the Department.

Mr. BINGHAM. That is the main estimate which largely makes up the seven thousand dollars additional to the current law?

Mr. CARR. Yes, for the building and for additional file-cases and cabinets to accommodate papers and index cards. Then we hope to move another bureau, perhaps two, over to that building, to get more space in our present building. The rooms that would be vacated would have to be gone over and re-fitted to some extent, and that would involve additional expense.

Mr. BINGHAM. That you expect to do in the current year?

Mr. CARR. We would like to do it in the current year, but we have not the money.

Mr. BINGHAM. What bureau has the details of expenditure in your Department?

Mr. CARR. The Secretary is sending a letter down to the Committee covering that.

Mr. BINGHAM. I suggest that you send down at the same time a statement of how you will dispose of this increase.

MISCELLANEOUS EXPENSES—HORSES AND CARRIAGES.

Now on page 78 and at the top of page 79 is an item for miscellaneous expenses, including carriages. There is a difference between \$12,000 and \$7,000. Please tell us exactly what the present expenditure of the \$7,000 covers under the current law, and then tell us what you propose to do with the additional \$5,000 in the next fiscal year.

Mr. CARR. At present the appropriation covers purchase, care and subsistence of horses, to be used only for official purposes, repair of wagons, carriage and harness, rent of stable, telegraphic and electric apparatus and repairs to the same, and other items.

Mr. BINGHAM. Give us in detail first what that is. You say "purchase." How many have you, and how many have you purchased?

Mr. CARR. Six, purchased several years ago, four for the Secretary's carriage and two for the mail wagon.

Mr. BINGHAM. I mean under the current appropriation.

Mr. CARR. We did not purchase any last year or this year.

Mr. BINGHAM. Will you exhaust this appropriation, of \$7,000 this year?

Mr. CARR. Yes.

Mr. BINGHAM. How?

Mr. CARR. By renting our stable and keeping our carriages in repair, in providing forage for the horses, and care of the horses. By that I mean a stable man.

Mr. BINGHAM. How many?

Mr. CARR. One.

Mr. BINGHAM. Independent of any other allowances, he is paid out of this?

Mr. CARR. Yes.

Mr. BINGHAM. What else?

Mr. CARR. Harness and repair of wagons and gas for the stable, and telegraphic expenses.

Mr. BINGHAM. Do you rent the stable out of this appropriation?

Mr. CARR. Yes, sir.

Mr. BINGHAM. What does that amount to?

Mr. CARR. Sixty dollars a month.

Mr. BINGHAM. How many carriages have you?

Mr. CARR. Two. We have a victoria, an old surrey, and a brougham.

Mr. BINGHAM. Four horses?

Mr. CARR. Six.

Mr. BINGHAM. Will that exhaust the \$7,000 this year?

Mr. CARR. It did last year, and we are virtually on the same basis. We did not have enough money last year. We need a new set of harness this year. This appropriation also properly includes the telegraphic and electrical expenses in the Department.

Mr. GILLET. What do you mean by that? You do not mean cablegrams from Europe?

Mr. CARR. Cablegrams for the Department, not in the Diplomatic and Consular Service.

Mr. GILLET. Do you mean the Department as distinguished from the Diplomatic Service?

Mr. CARR. Yes.

Mr. GILLET. I do not understand that. How do you distinguish?

Mr. CARR. If we send a cablegram abroad, we take it out of Diplomatic and Consular. If we send a telegram in the United States it should be paid out of this appropriation.

Mr. GILLET. No matter what the purpose is?

Mr. CARR. Yes; out of this we also maintain our entire telephone service, telephones in the different bureaus throughout the Department, which are now necessary and which were not necessary a number of years ago.

Mr. BINGHAM. Then the wording for the paragraph, "miscellaneous expenses," represents a body of expenses other than merely the

care of horses, stable and equipment, and that is set forth in the detailed report?

Mr. CARR. That will be set forth in the detailed report.

Mr. BINGHAM. Now you have covered that. Give me what you expect to do or anticipate doing in the next fiscal year with the additional \$5,000.

Mr. CARR. Well, we expect first to provide fuel for the annex, and get a new set of harness for the Secretary's horses, and we expect to get some additional newspapers, foreign and domestic. We expect in this re-arrangement to get more space and to get rid of a lot of useless and unnecessary documents that we have to have moved, and we will have to pay for the moving in order to get them out of the rooms and have them vacant. We have to pay for all the moving and transportation. We also expect to get fire apparatus and some other things for the other building. They are not provided now.

Mr. BINGHAM. For the rented building?

Mr. CARR. Yes; fire extinguishers and things of that kind.

Mr. BINGHAM. Does that cover it?

Mr. CARR. Yes. Then in addition to that, we think it desirable to have a sufficient balance, so that if anything should happen to one of our horses we might get another one without having to wait until we could present the matter to Congress. Last year almost all our horses got sick. We came near losing them. We had to incur a bill of about \$150 for medical services to save them. It was entirely unexpected, and yet the appropriation was so close to the limit that it is a very dangerous thing, and we could not replace a horse to-day if one should be lost.

STABLE MAN.

Mr. GILLETT. You have no right to employ a stable man under that appropriation, have you? Does not the law forbid your employing any kind of personal services unless it is under a specific appropriation and not under the contingent fund?

Mr. CARR. The appropriation is for the purchase and care of horses. We have nobody appropriated for under our Department appropriation for the care of horses.

Mr. GILLETT. I know; but there is a general law which forbids the employment of a laborer of any kind unless he is specifically appropriated for. I do not think that is such a specific appropriation that you ought to employ a laborer under it.

Sec. ROOT. Care of horses?

Mr. GILLETT. Yes.

Sec. ROOT. How can there be the care of horses without human agency?

Mr. GILLETT. Housing of horses would be the care.

Mr. LIVINGSTON. That care covers everything down to the curry-comb.

Mr. BINGHAM. Do you expect to buy a new carriage before the end of the present fiscal year?

Mr. CARR. We do not expect to.

Mr. GILLETT. This is the wording of the law I referred to (reading):

No civil officer, clerk, draftsman, copyist, messenger, assistant messenger, mechanic, watchman, laborer, or other employee, after October 1, 1882, to be

employed in any of the Executive Departments, or subordinate bureaus or offices thereof, at the seat of government, except only at such rates and in such numbers, respectively, as may be specifically appropriated for by Congress for such clerical and other personal services for each fiscal year; and no civil officer, clerk, draftsman, copyist, messenger, assistant messenger, mechanic, watchman, laborer, or other employee shall hereafter be employed at the seat of government in any Executive Department, or subordinate bureau or office thereof, or be paid from any appropriation made for contingent expenses, or for any specific or general purpose, unless such employment is authorized and payment therefor specifically provided in the law granting the appropriation, and then only for services actually rendered in connection with and for the purposes of the appropriation from which payment is made, and at the rate of compensation usual and proper for such services.

It does not seem to me under this language you could employ him. Don't you have a laborer especially provided for?

Mr. CARR. We have laborers for the Department.

Mr. GILLETT. Out of those don't you use those for the horses?

Mr. CARR. No, sir.

Mr. GILLETT. You do for the driver, I suppose?

Mr. CARR. Yes, for the driver. We have done that for many years.

Mr. LIVINGSTON. I understood you to say, Mr. Secretary, that the man that cares for the horses at the stable is a laborer whom you received under the civil service and who is on the roll?

Sec. Root. I think not. That is what Mr. Gillett has just been questioning. It has always been the practice, as I understand it, to pay for the stable man under this appropriation for the care of horses.

Mr. LIVINGSTON. He is not on the other roll, is he?

Sec. Root. No.

Mr. GILLETT. You think that has always been so?

Mr. CARR. Yes, I think so.

Mr. LIVINGSTON. If he is not on the other roll, how does he come under the prohibition of that statute?

Mr. BINGHAM. Have you anything to file in your testimony?

Sec. Root. I will send you the memorandum. I have had one prepared, but in one respect it was not satisfactory to me, and I gave directions that it be amended.

Mr. BINGHAM. We will make it a part of your examination before the Committee when you send it to us.

Sec. Root. I want to make this general observation about these appropriations: It is a somewhat difficult thing to regulate expenditures so that they will keep within the appropriation, because the calls for expenditures are coming from various sources. It is impossible to do it without the probability of frequently leaving a balance. That is to say, you can not utilize the whole of such an appropriation as these we have been talking about without running the risk or incurring the danger of exceeding it. In order to be conservative you have to keep always a balance, so that there will be a certain part that will not be practically available.

Mr. BINGHAM. But, Mr. Secretary, on the other hand, when you make your estimates, as you do for the next fiscal year, there must be to a certain extent instances of that which you expect not being realized. In other words, what you look forward to, to do with a certain item next year, you may not be called upon to do, or you may not be called upon to make a portion of that expenditure, and in that way the unexpected can come in to meet that which failed in expectation. At the same time I recognize the necessity of a margin;

that is, there ought to be a margin always for the unexpected, although you have got on the other hand the credit of the expected not always being needed.

Sec. Root. That does not practically amount to much, General, because you limit your appropriations so much in detail. For instance, if you made a lump appropriation for the Department, there would be a saving here to make up for an excess there; but when you say there shall be so much for such and such a thing, and so much for such another thing, the limits are too small to allow of the transfer from one to the other. My observation is that the expected expenses never send regrets. They always attend. [Laughter.]

Mr. BINGHAM. Mr. Secretary, while you may think we are somewhat persistent, allow me to say that this item of increase from \$7,000 to \$12,000 is a very large increase, and there ought to be some well-defined and well-known purpose for the expenditure. If \$7,000 meets all the current expenditures, an increase of \$5,000 becomes a very large increase. You will send the paper you have prepared as part of your remarks?

Sec. Root. Yes, sir.

Mr. GILLET. Mr. Secretary, I think you had better send us a statement of what that hostler is paid. I think you ought to pick him out and have him on the regular rolls. I do not think you have any right to have him where he is. Of course you do not care how you get it.

Sec. Root. I would rather you would do that than have any question about it.

Mr. GILLET. I do not think you have the right to hire him under that law. However, that is for you to decide.

Sec. Root. You can decide it.

Mr. GILLET. We certainly shall not impeach you for it.

Sec. Root. It is an exceedingly difficult thing to bring about a change in methods and procedure on the part of a large body of civil servants who have acquired inveterate habits.

Mr. GILLET. That is so; but it seems to me this is just what that law was intended to prevent.

Sec. Root. If that is so, a change ought to be made. Mr. Livingston suggested a difficulty the other way. It is quite clear that the care of horses involves human agency.

Mr. GILLET. Yes; but the law says he shall not be employed from any general fund unless he is specifically appropriated for. That law is very explicit and distinct, and is meant to cover just such a case as this.

Department of State.—Statement of items upon which estimates for contingent expenses for 1908-9 was based.

STATIONERY AND FURNITURE:

Appropriation for current year-----	\$7,000.00
Appropriation for last year-----	\$7,000.00
Expenses for last year:	
Furniture and fixtures, carpets, rugs, matting, etc., exclusive of file cabinets-----	\$1,367.25
File cabinets, file boxes and supplies for same, exclusive of cases made by carpenter-----	1,148.86

Expenses for last year—Continued.

Carpenter's bills for repairs to furniture and fixtures, making file cases, etc.....	\$1,011.25
Typewriting machines.....	952.18
Advertising.....	26.25
Stationery supplies: Paper and envelopes, all kinds, blotting paper, memorandum books, memorandum blocks, silk taste and silk cord, scissors, pen points and penholders, fountain pens, lead pencils, rubber and steel erasers, engraving and embossing, press copy books and press copy paper, cards, ink, carbon paper, ink wells, desk baskets, paper clips, pins, rubber bands, twine, typewriter oil, paste, gum arabic, etc.....	2,319.07
Miscellaneous items: Water coolers repairs, telephone supplies, etc.....	169.91
	<u>\$6,994.77</u>

Unexpected balance..... 5.23

Needs in excess of appropriation for current year:

Stationery and supplies additional, (estimated increase)..... 1,000.00

Consular Bureau—

Carpet for Room 113.....	\$75.00
Carpet for Room 112.....	75.00
Carpet for Room 110.....	30.00
Two file cases, at \$52.60 each.....	105.20
One sectional card file (present file so full it is impossible to insert any more cards).....	23.00
Two typewriters, to replace two now worn out.....	160.00
Three typewriter chairs, at \$10.....	30.00
Three desk chairs, at \$15.....	45.00
Two typewriter desks (for additional clerks estimated for), at \$40.....	80.00
	<u>623.20</u>

Bureau of Appointments—

Four additional vertical file cases at \$20.....	80.00
One four-drawer Index card case.....	7.00
4,000 cards.....	22.60
1,500 folders at .40 per hundred.....	6.00
1 set (1,200) printed guide cards for vertical files (about).....	22.00
	<u>137.60</u>

Bureau of Citizenship—

Furniture for rooms now partly furnished and other articles as per appended statement (A)..... 482.00

Bureau of Trade Relations—

Additional furniture and other articles as per appended statement (A)..... 264.00

Library—

Additional filing cases to supplement those now almost filled..... 125.00

\$2,631.80

Annex—

Fire extinguishers, etc., and other articles as per appended statement..... 152.00

Index Bureau—

Typewriters—

For new clerks estimated for—
 2 Briefers,
 2 Copyists,
 4 machines (elite) at \$82.50 \$330.00

Index Bureau—Continued.

Typewriters—Continued.

For new clerks estimated for—Continued.

For manifolding telegrams (all other purposes require elite type) 1 machine (pica)-----	\$82. 50	
For repairs to serviceable machines and replacement of those worn out (we have sixteen machines in operation) estimated	\$0. 00	\$492. 50

Desks, etc.—

Telegraph room—

1 double desk (oak)-----	60. 00	
2 typewriter desks (oak) to replace stands at \$30. 00----	60. 00	
1 typewriter chair (oak)-----	8. 00	

Chief's room—

3 double desks (mahog.) at \$80. 00-----	240. 00	
5 desk chairs (mahog.)-----	100. 00	

New clerks—4 typewriter chairs at \$8. 00-----	32. 00	500. 00
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For carpets, etc.—

Room 213 135 yds-----	250. 00	
107 135 yds-----	250. 00	
20f 54 yds-----	100. 00	600. 00

For new file cases for current files (at present rate of increase) twelve at \$50. 00-----		600. 00
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Six electric fans at \$10. 00-----	60. 00	
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For safe (estimated)-----	100. 00	
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For cases to preserve index cards now loose in books (estimated)-----	300. 00	
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For cases to preserve heavy record books (estimated)-----	150. 00	610. 00
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\$12, 580. 30

Balance to cover to repairs and additions to furniture in offices of the Secretaries and diplomatic reception rooms; and for rearranging and refitting several rooms in order to provide better facilities for transacting business-----

1, 413. 70

Estimate for 1908 and 1909-----	14, 000. 00
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(A.)

Statement of needs for bureaus occupying the Department's annex.

I. Needed for building:

Two mirrors for washrooms-----	\$10
One table for messenger in hall-----	5
One garden hose-----	5
One lawn mower-----	12
Three sets fire apparatus-----	30
Floor and stair covering-----	40
Fly screens for all the windows-----	50

Total-----	\$152
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II. Needed for bureau of citizenship:

Two wardrobes to hold hats and coats (one for south room and one for north room)-----	\$40
One table to hold ice water pitcher for south room-----	5

II. Needed for bureau of citizenship—Continued.

One water cooler and stand for hall.....	\$15
One large rug for south room.....	50
Four small rugs for north room.....	20
Two small rugs for south room.....	10
Matting for large room.....	50
One clock for south room.....	10
Four chairs for north room.....	20
One office chair for north room.....	7
Four chairs for south room.....	30
One bookcase for south room.....	25

Total 282

This furnishes two rooms and leaves two unfurnished. The amount for those two would be approximately that for the south room—that is to say \$100 per room or \$200.

200

III. Needed for bureau of trade relations:

Matting for floor of large room.....	50
Brussels rug for floor of a smaller room.....	50
Six small rugs.....	30
One typewriter cabinet.....	30
One copying press and stand.....	15
One sectional bookcase of 5 sections.....	25
Three oak chairs.....	24
One clock for north room.....	10
One wardrobe for hats and wraps.....	20
One water cooler.....	10

Total 264

Grand total 898

MISCELLANEOUS EXPENSES.

Appropriation for current year..... \$7,000.00

Appropriation last year..... \$7,000.00

Expenses last year:

Forage.....	\$577.43
Rent of stable.....	720.00
Service of stablemen in charge of stable and horses ^a	1,180.48
Cleaning windows and offices ^b	542.50
Care and repair of clocks.....	120.00
Making towels.....	21.75
Laundering towels.....	240.00
Gas for stables.....	54.00
Street car tickets.....	110.00
Repairing typewriters.....	69.80
Pasturing horses.....	50.90
Ice.....	293.51
Repairs to vehicles, harness, and bicycles.....	250.45
Daily newspapers (Washington and New York).....	236.84
Engraving, etc.....	20.00
Drayage.....	44.00
Expressage.....	81.87
Telephone service.....	989.53
Rubber stamps and repairs, numbering machines, ink pads, etc.....	189.23
Shoeing horses.....	286.93

(^a Two stablemen were employed for the first part of last year, since when only one has been employed.)

(^b Discontinued June 30, 1907.)

Expenses last year—Continued.

Miscellaneous expenses: Toilet paper, camphor, insect paper, matches, hair-brushes, soap, sponges, gum arabic, material for towels, spring water, shovels, brooms, dust and floor brushes, dust pans, electric and gas fixtures, etc.....	\$944. 91	
Portrait of former Assistant Secretary Loomis.....	25. 00	\$6, 998. 53.
Balance unexpended.....		1. 47
Needs in addition to existing appropriation:		
Fuel for Annex.....	300. 00	
New harness.....	300. 00	
Repairs to carriages and wagons.....	200. 00	
Drayage (to enable the Department to turn over to the Superintendent of Documents a large accumulation of documents and papers in order to utilize the space for other purposes).....	100. 00	
Additional newspapers, foreign and domestic.....	100. 00	\$1, 000. 00
		8, 000. 00
Domestic telegraphing. (It has been the custom to charge the telegraphing to the appropriation for foreign missions. The amount of telegraphing, which is of a domestic nature, not directed to our Diplomatic and Consular officers should be charged against the "Contingent Fund" of the Department and it is desired to do this if the appropriation is sufficiently increased), estimated.....		1, 500. 00
Balance for use as a Reserve Fund for the treatment and care of horses and for procuring other horses in case of illness or death of those now owned by the Department, and for unforeseen expenses.....		2, 500. 00
Estimate for 1908-1909.....		12, 000. 00

TREASURY DEPARTMENT.

[See also page 126.]

OFFICE OF THE SUPERVISING ARCHITECT.

STATEMENT OF MR. JAMES K. TAYLOR, SUPERVISING ARCHITECT.

SALARY OF THE SUPERVISING ARCHITECT.

MR. BINGHAM. Now, Mr. Architect, why the increase from \$4,500 to \$5,500 for the compensation of the Supervising Architect?

MR. TAYLOR. I do not know why, General. It was done by the Secretary. It was not done by my office.

MR. GILLET. That means you disapprove of it, then?

MR. TAYLOR. I do not. If you ask me personally, I should say that it was a very good thing to do.

MR. BINGHAM. How does your compensation as an architect, in connection with the mass of work you have to supervise, compare with the compensation of other architects? Is it large or small?

MR. TAYLOR. It is very small.

MR. BINGHAM. Do architects as a rule get a fixed stipend or percentage?

MR. TAYLOR. Usually a percentage. If they carry all the work as we do, they would get 5 per cent. They have expenses to pay out

of that. That amount, as I know by practical experience, amounts to about 50 per cent of their commission, so that leaves them about 2½ per cent as clear commission for their own services.

CHIEF OF EQUIPMENT DIVISION.

Mr. BINGHAM. The chief of Division of Equipment, \$2,500, was appropriated for in 1908 in the last Deficiency act. You do not ask for that again?

Mr. TAYLOR. No, sir; we have not got it yet.

Mr. GILLET. Why?

Mr. TAYLOR. It has never been transferred to us. The Secretary is thinking of it now.

ADDITIONAL CLERKS.

Mr. BINGHAM. The estimate here is for 7 clerks of class three, instead of six, and two clerks of class two, instead of three. Is that a promotion?

Mr. TAYLOR. Simply a promotion.

Mr. BINGHAM. That is due to what?

Mr. TAYLOR. Long service and valuable service.

ADMINISTRATIVE OFFICER.

There is one title there, gentlemen, that I would ask to be changed. That is, instead of "Assistant to the Supervising Architect," which is a long and cumbersome title, and which is a misnomer really, I would suggest the title of "Administrative Officer," for the simple reason that the gentleman who has that position and who always will have that position is practically the business man of the office and has charge of the accounts. He is a lawyer and not an architect, so that the title "Assistant to the Architect" is misleading, for people say, "I want to see the Assistant to the Architect," and then are much surprised when they get into the office to find that they do not have an architect to deal with. I think the term "Administrative Officer" would more nearly describe the work he does.

SERVICES OF SKILLED DRAFTSMEN, ETC.

Mr. BINGHAM. Now, coming to the next paragraph, "For services," and so forth, you ask for the current law?

Mr. TAYLOR. Yes, sir.

Mr. BINGHAM. That comes out of the appropriation for buildings?

Mr. TAYLOR. Yes, pro rata.

Mr. BINGHAM. Clerical force as well?

Mr. TAYLOR. All except those specifically provided for.

Mr. BINGHAM. How many buildings are you constructing under current law under your present appropriation of \$300,000?

Mr. TAYLOR. Two hundred and fourteen.

Mr. BINGHAM. You will exhaust that appropriation?

Mr. TAYLOR. We will, and could expend a little more, but have not asked for it.

Mr. BINGHAM. Next year what will you have?

Mr. TAYLOR. The unfinished portion of those 214 buildings.

Mr. BINGHAM. In addition?

Mr. TAYLOR. There may be some others this year.

OFFICE OF COMPTROLLER OF THE TREASURY.

STATEMENT OF MR. ROBERT J. TRACEWELL, COMPTROLLER OF THE TREASURY.

Mr. BINGHAM. Mr. Comptroller, you asked for one additional clerk of Class 3, \$1,600?

Mr. TRACEWELL. Yes, sir. That is a man who has been on detail in my office since last September a year.

Mr. BINGHAM. From another office?

Mr. TRACEWELL. Yes, sir.

Mr. BINGHAM. Do they give him up in the other office?

Mr. TRACEWELL. I do not know.

Mr. BINGHAM. What other office is he from?

Mr. TRACEWELL. The Bureau of Engraving and Printing, in the Treasury Department. I have had him since the 6th day of last September, a year.

Mr. GILLET. They detailed him because you are short?

Mr. TRACEWELL. Yes. He is one of my book-keepers. I could not get along a year ago last September without an additional man. The book-keeping work has increased, and I never had any additional force. Every 120 days the detail has been renewed, and I just asked that it be made permanent. It has been continued every 120 days since last September a year ago.

NEW AUDIT SYSTEM.

Mr. BINGHAM. Mr. Tracewell, I notice, in casually going through the bill, a considerable number of increases are asked for because of your change of system, not only in book-keeping, but in other matters. Could you give us any information on that?

Mr. TRACEWELL. I think I can.

Mr. BINGHAM. I wish you would, then, so as to make it a part of our record.

Mr. TRACEWELL. The President about a year and a half ago had formed what is called the Keep Committee, headed by Assistant Secretary Keep. That committee reported to the President a change in the method of keeping the books in the Division of Book-keeping and Warrants in the Treasury Department, and also recommended that the voucher system be changed, and as a part of that change, where payments were made by check, the Government's creditor should no longer receipt the voucher, and those checks should be returned from the public depositories where they were paid to the Secretary of the Treasury and by him be returned to the various auditing offices. They claim that it has very much increased the work. I am inclined to think that it has increased the work, probably from 15 to 25 per cent. That would probably be an approximation. I protested against it when it was done, but the Secretary directed it to be put into execution.

Mr. LIVINGSTON. What authority had the President or Secretary to change what we fixed there by law a few years ago in the Dockery system?

Mr. TRACEWELL. I think the Secretary did have the authority. Under the Dockery Act of 1894, with which you are familiar, the Comptroller of the Treasury, under the direction of the Secretary of the Treasury, prescribes the form of accounting. The Secretary directed me to prescribe this particular form. He was directed by the President of the United States to put in force the recommendations contained in the report of the Keep Committee, which directed these things.

Mr. BINGHAM. In these respective departments that have relation to this line of work which you have indicated, would that necessitate a distinctive clerk?

Mr. TRACEWELL. I am not sure about that. It would necessitate more clerical work, and if you had more clerks they would be distinctive. In other words, when a particular Government indebtedness is paid by check, that check comes back from the depository. About 90 per cent of the Government indebtedness is paid by checks, and those checks come back from the depositories, and that makes an increase of work for the public depositories, to get those checks in shape and transmit them to the Secretary's office; and when they get to the Secretary's office they must be distributed to the various auditors' offices, and when they get to the offices of the auditors they have to be assembled and put with the accounts, and the accounts audited by the checks, because there are no longer any receipts on vouchers paid by check. My impression is that it will necessitate an increase in the work of between 15 and 25 per cent to do it, to do the work effectively and efficiently and get it out.

Mr. BINGHAM. That only affects the ordinary force?

Mr. TRACEWELL. It would affect the auditing offices and the public depositories, the independent treasuries.

Mr. LIVINGSTON. And the Secretary's office?

Mr. TRACEWELL. Yes. It will affect it. I suppose this increased force asked by the offices I have mentioned has been occasioned by that.

Mr. BINGHAM. Yes, except the War Department.

Mr. TRACEWELL. Of course you understand the Government business has grown. I have been in my office for ten years and four months, and the appropriations have practically doubled in that time.

Mr. GILLET. Is there any saving in this new system?

Mr. TRACEWELL. They thought so. There is a difference of opinion about that.

Mr. GILLET. Where did they think they were going to make a saving?

Mr. TRACEWELL. They thought the account would be better audited by sending the check with the voucher, and they thought it was asking too much of a Government creditor to sign a voucher before he received the money.

Mr. GILLET. I mean, is there any saving in time to the Government officials by this system?

Mr. TRACEWELL. I think not, sir. Instead of saving time, it will require an increase of force to make it absolutely effective; an increase of work of from 15 to 25 per cent.

Mr. GILLET. I know there is a saving in my district, in the Springfield Armory, where they pay by checks; a decided saving in the time taken up in the payment of employees.

Mr. TRACEWELL. The checks were left with the depositories that paid them.

Mr. GILLET. It would make necessary the spending of more time, perhaps, in auditing, but it would save time in paying.

Mr. TRACEWELL. I think all Government indebtedness ought to be paid by checks. I agree with you heartily there, but I did not see the necessity of assembling these checks, and I do not see it yet. Yet the Secretary did see it.

Mr. GILLET. It takes more clerical service by assembling the checks than by the old way?

Mr. TRACEWELL. Yes, by 15 or 25 per cent. That is my judgment about it.

Mr. BINGHAM. Mr. Comptroller, have there been embarrassments under existing conditions in the Treasury Department?

Mr. TRACEWELL. I thought everything was working very well when this new system was put in force. I thought at the time that the accounts were being better audited than at any other time in the history of the Government.

Mr. BINGHAM. When will the system go into effect?

Mr. TRACEWELL. The system is already in effect. It went into effect the first of November, I think.

Mr. BINGHAM. Is it possible for the Department with your present force to handle the business for the current year?

Mr. TRACEWELL. I think with the present force they will be behind at the end of the present fiscal year.

Mr. BINGHAM. You think there will be a piling up because of inability to handle the work?

Mr. TRACEWELL. Yes, taking into consideration the ordinary growth of the business and the increase of the work by the adoption of the new system.

Mr. BINGHAM. It is in order to provide for that that these increases appear, especially in the auditors' offices?

Mr. TRACEWELL. I will assume that, together with the natural and normal increase of the business.

Mr. BINGHAM. Did you explain in your first remarks the statute under which this proposed change, or this new change, has been effected?

Mr. TRACEWELL. I think I did.

Mr. LIVINGSTON. Not to my satisfaction. Ask him, Mr. Chairman, whether the President or the Secretary of the Treasury has the authority to put in force this new system, notwithstanding the law of Congress.

Mr. TRACEWELL. I said that the Secretary of the Treasury in my judgment did have authority to put in what is called the new system; that, under the Dockery Act of 1894—which was an act reorganizing the Treasury Department, wherein we changed from the double audit system to the single audit system—under that law authority is given to the Comptroller of the Treasury to prescribe the forms and methods of rendering public accounts, under the direction of the Secretary of the Treasury.

Mr. BINGHAM. Were you Comptroller then?

Mr. TRACEWELL. No; that was in 1894. I was appointed in 1897. The Keep Commission recommended this change in the keeping of accounts, and the Secretary of the Treasury directed me to introduce this system. I did it, and I did it over my own judgment, and so reported to the Secretary, for the reason that it would increase the work, in my judgment, without any corresponding advantage to compensate for it.

Mr. LIVINGSTON. You mentioned one single item, and that was that it was an embarrassment, or perhaps a wrong to some men to sign vouchers before they got their money?

Mr. TRACEWELL. Yes; that is the main reason why they adopted this system.

Mr. LIVINGSTON. Is that the only benefit that comes from the adoption of the system?

Mr. TRACEWELL. That would be the only benefit, if it is a benefit.

Mr. LIVINGSTON. You realize, do you not, that Congressmen sign receipts months and months ahead before they get a dollar?

Mr. TRACEWELL. Yes; during the first nine months that is so. I have been in Congress myself. I say frankly, it did not appeal to my judgment, and I so stated in writing; but after mature reflection it did appeal to the judgment of the Secretary of the Treasury, and he directed me to do it.

Mr. LIVINGSTON. If we should determine to alter this and throw this system back rather than supply the appropriation to meet this increase of force, would we have to change the Dockery law?

Mr. TRACEWELL. Yes; either that, or have the Secretary of the Treasury change his mind.

Mr. LIVINGSTON. Then I understand you, in answer to another question, that if we do not give this increased help they will fall behind?

Mr. TRACEWELL. I am fearful of it. The auditors can answer that question better than I can. That is my judgment of it.

Mr. BINGHAM. They all ask for an increase except the War Department.

Mr. TRACEWELL. I know the different auditors, and they are all skilled men and trained men, and I do not think one of them would ask for an increase of force here unless he needed it.

OFFICE OF AUDITOR FOR THE TREASURY DEPARTMENT.

STATEMENT OF MR. W. E. ANDREWS, AUDITOR FOR THE TREASURY DEPARTMENT.

ADDITIONAL CLERK OF CLASS 4.

Mr. BINGHAM. I see you ask for 18 clerks of class 4, and your Note A is in effect that the number was reduced to 17 for the year 1908 without your knowledge, and that you hope that the original number of 18 will be restored for reasons expressed in your letter. Have you a letter?

Mr. ANDREWS. I sent a letter to the Secretary of the Treasury. I think I have a copy of it with me. When the reduction was made the Appointment Division reported to the committee that an \$1,800 clerk had been on detail from my office for a considerable period of time. That place was loaned temporarily in March, 1905. About

the same time or a few days thereafter a clerk was detailed from the Secretary's office to my office in exchange, and remained in my office on detail until July 1st, 1906, when he was transferred to my roll against my objection.

On the 30th of March of the same year a clerk was detailed from the Secretary's office to my office in exchange for this clerk that was in the Architect's office. This clerk remained on detail with me in exchange for the other clerk until the first day of July, 1906, so that during that time there was an exchange of clerks in that way, and without any information on my part the Department reported to the committee that this clerk from my office had been on detail for a considerable period of time, and on the first of July, 1906, the clerk that had been detailed from my office to the Secretary's office was taken from my roll to the roll of the Supervising Architect, and no additional detail was given me. I lost the place.

Mr. BINGHAM. You need this addition to your force?

Mr. ANDREWS. I do.

Mr. BINGHAM. Have you been crippled under the current law?

Mr. ANDREWS. Yes. My force was adjusted very well and the work was disposed of promptly and comfortably. We are behind now, owing to the vacation period, to sickness and the increased labor incident to the recent departmental changes. We are now just beginning to get the work classified under the new orders transferring the checks of the disbursing officers to the Treasury Department.

TWO ADDITIONAL CLERKS OF CLASS 1.

Mr. BINGHAM. You ask for two additional clerks to take care of the increased work resulting from recent modifications in the methods of accounting and bookkeeping?

Mr. ANDREWS. I do.

Mr. BINGHAM. Will it require two more men?

Mr. ANDREWS. It will, and there is this feature about it, too: I took an inventory this morning of the office, and in the customs business the Department has issued an order requiring the notation by coupons of all importations through the mails.

Mr. BINGHAM. Is that a new regulation?

Mr. ANDREWS. Yes; it went into effect last July.

Mr. BINGHAM. That is simply a general Treasury regulation?

Mr. ANDREWS. A Treasury regulation, and a regulation in which the Post-Office Department co-operates. To illustrate, a package comes through the mail, and when it first reaches the post-office authorities in this country, if it appears to contain anything subject to duty, they are required to place upon it a coupon, stating that this package is subject, or supposed to be subject, to duty. The postmaster is required to hand that over to the nearest collector of customs, and when he sends that he sends us another coupon to the Auditor and we are thus notified that the package is in the mail. Then the postmaster at the destination detaches one coupon and sends the package to the collector of customs, and the detached coupon to the Auditor. Thus we trace these packages by coupons through the mails to the collector. We need at least one additional clerk in that branch of the service that we did not have before.

Mr. BINGHAM. Is that branch working current?

Mr. ANDREWS. Yes, sir: To-day, I said to one of my men, "What is your record?" He answered, "I numbered and stamped six hundred coupons this morning."

Mr. BINGHAM. Was the old system not thorough?

Mr. ANDREWS. The old system left us to deal with these mail importations simply as we happened to get the record. There was no requirement obliging postmasters to notify us of the existence of these packages in the mails. Now we have to tabulate and keep trace of them. It requires at present considerable correspondence to show what officers fail to comply with the regulations, but we are just beginning to reach the present view of the field, which shows that that business will be very large.

Mr. BINGHAM. Was it not the old rule that when the postmaster discovered that the contents of a package were subject to duty he would send to the nearest customs officer, whereas now, it is a continuous tracing?

Mr. ANDREWS. Yes, from the time the goods come in the mails, until they are inspected by the customs officers. It is new to the postmasters, and they are not yet well acquainted with customs regulations. As we gradually enlarge their training in that direction the amount of this work will increase. These matters are coming in very largely, and it is all that a clerk can do, and it takes a very good clerk to do it.

Mr. BINGHAM. What about the other clerk you have asked for?

Mr. ANDREWS. The other one is needed for the purpose of meeting the increase of work incident to the filing of these checks.

Mr. BINGHAM. The new system?

Mr. ANDREWS. Yes. This work in the customs I did not have in hand so that I could make an estimate when I submitted estimates. This other is not involved in this estimate at all. I will take my chances to get along as best I can. It is very clear, however, that it is going to require the service of at least one clerk.

NEW AUDIT SYSTEM.

Mr. GILLET. How do you know you will require two clerks for this new system of checks?

Mr. ANDREWS. We have to handle 50,000 checks a month. We have got to take them in from the different Sub-Treasuries and national bank depositories and distribute them to their vouchers. I have got to have at least two clerks to make that distribution before the papers go to the examining clerk, and I intend to use clerks for that purpose exclusively, instead of turning these checks over to the examiners for such distribution. That is the reason I ask for first-grade clerks instead of third or fourth-grade clerks.

Mr. LIVINGSTON. One of these men is not in the estimates at all?

Mr. ANDREWS. The restoration of the \$1800 clerk is to restore my roll to what it was before. Now, I ask for only two additional clerks at \$1200, and my estimate was based on the increase of this service in connection with these checks and the new work incident to the new regulations of the Department. The new matter relative to customs was not so well-defined that I could safely and wisely include it in the estimates. I simply referred to that as one of the

elements to prove that beyond question I need an increase such as I have asked for.

Mr. BINGHAM. Then you stand on your estimates here?

Mr. ANDREWS. Oh, yes. By the end of the year both of these lines will be clearly defined, and by the time the estimates are called for next year I will have the basis to show the permanent condition. I do not want to make an estimate of anything that will not work out.

Mr. GILLETT. Have you had enough practice yet with the check system to know that you may need this?

Mr. ANDREWS. Yes, sir. They have been coming in since the October business.

Mr. GILLETT. Is there any compensatory saving under the new system?

Mr. ANDREWS. I have not seen any yet. For me it has cost more.

Mr. GILLETT. There is nothing that it cuts off or saves?

Mr. ANDREWS. Not in economy of time or labor in my work thus far. Those who advocate all the different parts of the new system say the compensating advantage or saving will come. I reserve my judgment. I leave it to them.

Mr. GILLETT. It gives you extra work as to checks, and no compensation elsewhere?

Mr. ANDREWS. No, sir. You will understand, gentlemen, that with a large clerical force you lose an immense amount of time when you change from a method well understood to a method that is entirely new. There is a certain amount of lost time incident to that change which you can not measure fully until you get through with it. I am confident, however, that there is nothing yet in sight to indicate that I will handle my business with the same force that I did before.

Mr. BINGHAM. In other words, you consider, so far as you have gone into this matter, that it is experimental?

Mr. ANDREWS. Yes, sir.

Mr. GILLETT. You do not quite understand me. Perhaps you do, but I want to be sure. I did not mean to ask you whether this will take more time or not, for you are clear on that, but I meant to ask whether all this extra time that you say is required for assembling the checks is so much additional to what it was before, or whether something is saved somewhere to reduce it somewhat?

Mr. ANDREWS. That will be additional work. There is nothing saved, so far as labor is concerned. The additional advantage and additional cost might be well expended to meet one point, and that point I favored—the assembling of the checks with the vouchers. Take one case, for example. We had a loss of about fifty or sixty thousand dollars in one case where a clerk through manipulation slipped papers under the pen of the approving officer, and they passed through the duplicates six or eight months after the original, and they had made the duplicate exactly in the form of an original voucher, with all the valid signatures. That clerk got those checks into his possession; he indorsed the name of the payee on the checks, and then his own name. The checks went into the subtreasuries on which they were drawn, and were never sent to the auditing office.

Mr. BINGHAM. That was under the old rule?

Mr. ANDREWS. Yes. That made it impossible for the auditing office ever to see what kind of indorsements were on those checks. Suppose the first check had come to the auditing office: An examining

clerk would be inexcusable if he had passed any one of those checks with an indorsement of that clerk on it, because the clerk was in a position to know this person and know that the nature of the check was such that he had no personal interest in it, and that the payee, residing in New Mexico, whose signature was upon his contract and upon his voucher, did not indorse that check. All he had to do was to take the check and compare it with the vouchers and say, "Here is a fraudulent indorsement." Now, by putting these checks side by side with the vouchers, and the signatures of the payee on the vouchers, you have a comparison of indorsements. There is the real advantage of assembling the checks with the vouchers.

Mr. BINGHAM. That, to your mind, is the one benefit?

Mr. ANDREWS. Yes; and the one point I recommended as sufficient in value to justify the measure of expense that we would incur in making this inspection and classification.

Mr. BINGHAM. Have there been many other cases of similar character?

Mr. ANDREWS. Not of great amount. Those cases that have been exposed and brought out are not many in number. But every clerk knows that he will be caught on the first check if he makes any such attempt, and that places the caution before every clerk.

Mr. GILLET. Could not the clerk make such a forgery of the name with the voucher before him, so that the clerk would not notice it when he came to compare them?

Mr. ANDREWS. If we find a case of that kind under the instructions I have given, it will be the duty of the examining clerk immediately to inquire from the administrative office whether such a payment has been made before, and write to the payee and make an investigation.

Mr. GILLET. Why would it attract his attention at all if it was a fairly good imitation of the payee's name? Would it not pass right by the clerk?

Mr. ANDREWS. I think not, as a rule. For instance, a check drawn to the payee in New Mexico and cashed in Washington; Under ordinary circumstances that check should be cashed somewhere near the locality where the payee resides, and all suspicious incidents would put us in possession of information, so that as a rule we would catch the offender.

Mr. GILLET. That is the only advantage you see in the new system?

Mr. ANDREWS. I would not say that is all. By having these checks and the abstract from the subtreasury or depository, we can verify the balance of the disbursing officer at the end of the month or quarter.

Mr. BINGHAM. The old system did not enable you to do that?

Mr. ANDREWS. No, sir. We did not have the checks or the schedules, and could not make that check.

Mr. BINGHAM. Were those the only weaknesses that you observed in the old system that justified the adoption of the new?

Mr. ANDREWS. I did not observe anything else in the old that would have influenced me to favor the new. The others were not of sufficient importance to call for the additional labor and expense of assembling these checks and vouchers in this way.

Mr. BINGHAM. But assuming that the new system may signify increased expenditure, you feel that if it works the results expected the expenditure will be justified?

Mr. ANDREWS. I think so. I think I can handle it in my office with two additional \$1,200 clerks.

Mr. GILLET. Do any of the great corporations have any such system as that?

Mr. ANDREWS. I could not answer that without making an inspection. I was not connected with the committee that made the investigation of that matter. That was through the administrative channel I presume they did make some investigation as to that.

I would like to call attention to some recommendations that I make in regard to the Treasurer's general account, and also in regard to two appropriations for the office of the Supervising Architect. But those are covered fully in the annual report. I think we can economize a great deal of time and labor, particularly through the recommendation relating to the Architect's accounts. We are carrying about twenty-nine millions in certificate, and have been for many years, although the cash is not there. The certificate alone on its face would indicate that there are twenty-nine million dollars more of cash in the Treasury of the United States than is there. I have submitted some recommendations in my annual report regarding that.

Mr. BINGHAM. They have nothing to do with the estimates for the next fiscal year that we are discussing here?

Mr. ANDREWS. No.

Following is a letter filed by Mr. Andrews:

TREASURY DEPARTMENT,
Washington, October 10, 1907.

The Honorable The SECRETARY OF THE TREASURY.

SIR: I submit herewith the estimates for the appropriations required for the service of the fiscal year ending June 30, 1909, by the Office of the Auditor for the Treasury Department.

For some reason the number of Fourth Class clerks was reduced from eighteen to seventeen in the appropriation for the current fiscal year, 1908. Such action was taken without any knowledge on the part of this office and with detriment to the service. I have therefore asked that the number of Fourth Class clerks for the fiscal year 1909 be restored to its original number, eighteen.

A place on my roll was loaned to the office of the Chief Clerk as a matter of accommodation for a period of ninety days, and the person appointed thereto was detailed to duty in the office of the Supervising Architect. The detail was continued for an extended period beyond the ninety days and subsequently the place seems to have been transferred to the office of the Supervising Architect.

During a considerable portion of that time a clerk was detailed to this office in lieu of the services of the clerk who was appointed upon my roll and detailed to the office of the Architect.

The work will be increased considerably under recent departmental orders relative to changes in methods of accounting and bookkeeping. Two additional clerks of Class One, \$1,200 each, will be needed to provide for the prompt settlement of accounts in satisfactory manner without delinquencies. The estimates for the fiscal year 1909, amount to \$156,700.00, in comparison with the appropriation of \$152,500.00, for the current fiscal year, 1908.

Respectfully,

Auditor.

OFFICE OF AUDITOR FOR WAR DEPARTMENT.

STATEMENT OF MR. EDWIN P. SEEDS, DEPUTY AUDITOR FOR THE WAR DEPARTMENT.

Mr. BINGHAM. Have you anything to say to the Committee concerning the estimates for your office?

Mr. SEEDS. I have nothing. As a matter of fact, I presume those estimates are correct. They did not necessarily pass under my observation, but I looked them over. I know it is necessary to have at least the number of people we have here recommended.

Mr. BINGHAM. What did we increase you last year?

Mr. COURTS. There was a slight diminution of their force by transfers.

NEW AUDIT SYSTEM.

Mr. LIVINGSTON. Do you know whether the Keep system of assembling checks has been introduced in your Department and has caused a demand for more clerks?

Mr. SEEDS. We are the Auditor of the War Department. They have something there. I think that is what they referred to when one of my chiefs came and said it was considerable of a burden. We find it necessary to put some clerks on that specific work, although it did not require that we should have any new clerks there, because we could take them off of other work.

Mr. BINGHAM. Then your statement runs to the conclusion that under the current law you can handle next year's work?

Mr. SEEDS. Without any question whatever.

I would like to state to the Committee one thing and bring it to your attention. We are stopped right on a lot of our work at the present time; we had to stop day before yesterday, for the simple reason that the appropriation is absolutely exhausted in our auditing. In our auditing we have certificates against certain appropriations for bounty and back pay, and things of that kind. On account of the law passed at the last session of Congress, we have had an increase in the last six months of at least fifty thousand cases, and we have wiped out the two hundred thousand dollars appropriation that you gave us.

Mr. BINGHAM. That is a deficiency.

TUESDAY, January 14, 1908.

OFFICE OF AUDITOR FOR NAVY DEPARTMENT.

STATEMENT OF MR. RALPH W. TYLER, AUDITOR FOR THE NAVY DEPARTMENT, ACCOMPANIED BY MR. GEORGE H. FRENCH, LAW CLERK.

Mr. BINGHAM. I see, Mr. Auditor, that you ask on page 95 for four additional clerks of class three, two clerks of class two, twelve clerks of class E transferred to class one; ten clerks of class D transferred to class E; one clerk of class B transferred to class D; one laborer transferred to assistant messenger.

Mr. GILLET. First, what do you mean by clerks of class D, class E, and class B?

Mr. FRENCH. They are below those classified by law. They designate them as classes C, D, and B.

Mr. GILLETT. Who designates them?

Mr. FRENCH. The Secretary.

Mr. BINGHAM. We do not recognize them?

Mr. FRENCH. No, sir; but we recognize that classification in the Department.

Mr. BINGHAM. Is not that a large increase?

Mr. GILLETT. It seems to be a case of promotion, not of increase.

Mr. TYLER. It is an increase of six clerks. That, of course, provides for promotions along the line.

Mr. BINGHAM. You ask for six new clerks, and how many promotions?

Mr. TYLER. Of course that provides these promotions.

Mr. BINGHAM. Then, in other words, it is all promotions of six clerks.

Mr. TYLER. It also promotes twelve \$1,000 clerks to \$1,200, and ten \$900 clerks to \$1,000.

Mr. BINGHAM. How many increases absolutely?

Mr. TYLER. Six increases.

Mr. BINGHAM. What increase do you expect in the next fiscal year in your Naval establishment to justify the increase asked for?

Mr. TYLER. I have some data here—

Mr. BINGHAM. I want only the data pertinent to my inquiry. Do you expect any special increase to justify your request for a large increase of force?

Mr. TYLER. We are behind in the work now, possibly two years behind.

Mr. BINGHAM. Two years? How can you audit accounts that are two years behind?

Mr. TYLER. It is practically impossible to be up. The work has been so heavy that we are falling behind. We have not got sufficient clerks.

Mr. BINGHAM. Assume that we gave you the increase of clerks, without regard to increase of compensation and without regard to promotions. Will that enable you to catch up with your work sufficiently?

Mr. TYLER. Pretty well, because the character of the work in that office is high-grade work, and we want a higher grade of clerks.

Mr. BINGHAM. Do you get that by increase from \$900 to \$1,000?

Mr. TYLER. It will regain the clerks we have lost. We have lost three clerks in the past year.

Mr. BINGHAM. How many have you, all told?

Mr. TYLER. We have 95 clerks. Practically every clerk in the office today is constantly seeking employment on the outside because of the greater compensation.

Mr. BINGHAM. But they remain?

Mr. TYLER. Yes. Take, for instance, the Bureau of Interstate Commerce. They require clerks familiar with railroad rates in examining rates and vouchers. They start their clerks at \$1,200. We have a clerk now that we cannot expect to hold long at \$900. He is an expert railroad clerk.

Mr. BINGHAM. You cannot hold him?

Mr. TYLER. No.

Mr. BINGHAM. When you made the statement that you are behind two years, in what particular work did you mean that you are behind two years?

Mr. TYLER. I will give you some idea here how the work is piling up. For instance, in the first quarter of this fiscal year, in allotment work alone, we had 2450 allotments. In the second quarter, October, November and December, we had 3539. On account of the heavy increase in allotment work the passing of debits and credits has for the time being been almost abandoned. It would have been entirely abandoned without the assistance of several clerks employed on the accounts of current work.

Mr. GILLETT. Do you mean your accounting is two years behind? Are the accounts away back two years?

Mr. TYLER. In the way of claims. They have claims pending there.

Mr. GILLETT. Is your regular routine work two years behind?

Mr. TYLER. It is hard to say what is routine work.

Mr. GILLETT. In the auditing of the regular accounts of the Navy, are those ordinary accounts two years behind?

Mr. TYLER. Some of them are not. But you see we have an appropriation of \$94,000,000 to cover and the War Department has an appropriation of \$54,000,000 to cover. We have in the aggregate 75,000 men in the Navy. The individual account of each man has to be examined carefully and audited by a force of 95 clerks. You have 54,000 men in the Army. There the men's accounts are audited and examined by a force of 347 clerks, and it is acknowledged, I think generally, that the Navy accounts are more difficult than the war accounts.

Mr. GILLETT. You do not mean that your 95 men do more than the 347, do you?

Mr. TYLER. It looks like it.

Mr. GILLETT. Do you mean to say it?

Mr. TYLER. I surmise that.

Mr. GILLETT. Then every one of your men does the work of five men in the office of the Auditor for the War Department.

Mr. TYLER. We are driving everyone of our men to the extreme limit.

Mr. LIVINGSTON. You have got your figures mixed.

Mr. FRENCH. There are 36,000 enlisted men in the Navy, and 2,500 apprentices.

Mr. TYLER. Then there are 8,000 marines. This is exclusive of the officers.

Mr. GILLETT. Yes.

Mr. TYLER. Then the individuals in the civil list amount to approximately 15,000.

Mr. GILLETT. You audit their accounts?

Mr. TYLER. Yes, sir; they come to us, and we have to examine them and audit them. In addition to that we have got to audit accounts and salaries and miscellaneous expenses of the officers of the Navy.

Mr. BINGHAM. Have you any papers to file with reference to your claims for the very large work? I take it you are forgetful of the fact that the War Department has to audit everything that pertains to rivers and harbors, and arsenals, and Soldiers' Homes, so that a matter of comparison is hardly apt on that line. Were you before us last year?

Mr. TYLER. No.

Mr. BINGHAM. We have given your office for the present fiscal year that which was asked for by the Auditor, your predecessor. Now you inform us that you are behind largely in your work. Of course we desire to take recognition of that as far as we can. What is required to bring you up within reasonable conditions of conclusion of your work?

Mr. TYLER. What force, do you mean?

Mr. BINGHAM. What additional force will bring you up? You say you are behind in your work. What will bring your work up so that you can report next year that you have been able to handle your work properly?

Mr. TYLER. I think with what we have asked for we will be able to do it.

Mr. BINGHAM. An increase of six clerks?

Mr. TYLER. Yes.

Mr. BINGHAM. The question of increase of compensation of those now in your force is not a matter of radical necessity.

Mr. TYLER. Well, it is a sort of reward, I think, for a faithful lot of clerks.

Mr. BINGHAM. That, of course, we understand.

Mr. TYLER. And I think for the grade of work they are on, the compensation is much less than they would receive, possibly, outside the service.

Mr. LIVINGSTON. What grade of clerks are you recommending for promotion?

Mr. TYLER. The \$900 and \$1,000 clerks.

Mr. GILLETT. Who was Auditor last year?

Mr. TYLER. Col. Brown.

Mr. GILLETT. Were you in the force then?

Mr. TYLER. No.

Mr. GILLETT. How did you happen to come in?

Mr. TYLER. I was appointed to take charge the first of June last.

Mr. LIVINGSTON. By the President?

Mr. TYLER. Yes, sir.

Mr. GILLETT. Had you been in the Government service?

Mr. TYLER. Never have been in the Government service before.

Mr. GILLETT. You found the work behind?

Mr. TYLER. Yes.

Mr. GILLETT. Do you think that with six clerks you can catch up in a year?

Mr. TYLER. Recently we have been gaining some, as we have it now, and I think every clerk now in the Department is willing and anxious to catch up, and I think will work overtime if necessary.

Mr. GILLETT. Have you been working overtime lately?

Mr. TYLER. No, sir; I cannot say that we have been working overtime.

Mr. GILLETT. But you have gained some, you say, in the last few months?

Mr. TYLER. Yes.

Mr. GILLETT. You do not know how they happened to get behind?

Mr. TYLER. No, sir.

Mr. GILLETT. Have you caught up or fallen behind since last June?

Mr. FRENCH. We have fallen behind since the Spanish War. That put us behind. We have not been able to catch up since. The pay of officers and men has changed so rapidly that we have been kept behind in settling the accounts. The pay has been changed by legislation and by orders of the Navy Department. There is a medal of honor, and a bar, and to everyone of them there is fifty cents or seventy-five cents additional pay. You have to make calculations to see that they are entitled to it. You may take your officers under the act of 1899, and you can pay them four or five different kinds of pay. That has caused an immense amount of extra work.

Now we have another thing which I am sorry to say the Auditor probably did not take into account when he made the statement of bringing up the accounts. I think what he said is hardly correct in that. The accounts come in from the first of October; they will come in very soon.

NEW AUDIT SYSTEM.

Mr. BINGHAM. Have you entered upon the new audit system?

Mr. FRENCH. No, sir. Our accounts have not yet arrived on that basis. We will commence probably about March.

Mr. BINGHAM. Then you know nothing about its details?

Mr. FRENCH. No, sir; but I can show you something about the details.

Mr. BINGHAM. We can hear that better from those operating under it. We have already had some testimony on that business.

Mr. FRENCH. There is a voucher under the old system which showed the receipt, and if there is any dispute about it, there is the date and number and place of payment of checks upon it. Now we discontinued that, and have no receipts on the voucher, but have got to assemble the checks with that voucher. That will take a vast amount of time. There may be three or four vouchers included in that check.

Mr. BINGHAM. When you made these estimates for the next fiscal year did you take that line of work into consideration?

Mr. FRENCH. I think not.

Mr. BINGHAM. The statement has been made—I hardly think it was intended in its broadest sense—that you are behind two years in your work.

Mr. FRENCH. It can be.

Mr. COURTS. A requisition for advance cannot be approved by the Auditor unless the accounts of the disbursing officer making it have been audited or are satisfactory to the Auditor. The law is mandatory in that regard.

Mr. FRENCH. We have the accounts current showing the condition.

Mr. BINGHAM. Is that the case with respect to suspended accounts, or is it in your current work?

Mr. FRENCH. You cannot call these paymasters' large accounts current work. They have to take their course, and I hardly think as a general statement that the accounts of the disbursing officers are two years behind. We have some that involve a whole year's settlement, with many disputed accounts in them. We have a great amount of trouble in railroad business. We have recovered nearly

\$15,000 in overpayments in transportation, through errors of classification.

Mr. GILLET. Of course, if they are disputed accounts, they might be two years behind.

Mr. FRENCH. We have to examine these accounts, all of them, all the individuals; and they are very large accounts.

Mr. LIVINGSTON. Have you recommended any legislation that will obviate this condition?

Mr. FRENCH. The Auditor has asked for an increase.

Mr. LIVINGSTON. I do not mean increase. I ask you if you have recommended any legislation to obviate these difficulties?

Mr. FRENCH. No, sir.

Mr. LIVINGSTON. Why not? Who put this thing on you? Did Congress?

Mr. FRENCH. No, sir; the Secretary. This change of methods was made by the Secretary.

Mr. LIVINGSTON. It is much cheaper and safer to the Government, and more sane, too, to remedy the situation by legislation, so as not to produce the same effect again.

Mr. FRENCH. It is a pretty delicate matter, when the President and Secretary recommend a thing, for a bureau officer to go to work and recommend a change of it.

Mr. LIVINGSTON. He has made a general proposition that our legislation complicates his business, and that that ought to be remedied. I suggested to him that he might recommend such legislation as would help him. I do not refer particularly to the assembling of checks and vouchers, but to everything in a general way.

TREASURY DEPARTMENT,
Washington, Jan. 16, 1908.

Honorable HARRY BINGHAM,
*Chairman Sub-Committee on Appropriations,
House of Representatives.*

SIR: I desire to thank you for your courtesy in allowing me to examine my statement made to your Committee on the 14th instant, relative to the work of this office. In my letter of yesterday, I referred to the statement that the work of this office was two years in arrears was incorrect, it not being intended in the broad sense as, upon further investigation, I find it is about one year in arrears.

In order to promote the efficiency of the personnel of the office, and to keep the best clerks, it is my earnest desire to increase the number of higher grade clerks now in the office and, in addition, to ask for an increase of six clerks. With this increased force, if I am able to retain the efficient clerks now in the office, I have no hesitation in saying that the work can be brought up to a safe period, say within six months, during the next fiscal year. That will be my earnest desire and I shall strive to accomplish it, if possible. Unless some inducement is held out to retain the experienced clerks, they will of necessity and for their own benefit, seek transfers to other departments and to private enterprises where they can receive better compensation.

In answer to the inquiry of the Chairman on page 3: "I want only the data pertaining to my inquiry. Do you expect any special increase to justify your request for a large increase of force?" I desire

to state that with the change of methods of rendering accounts and dispensing with all receipts on pay rolls, making a large number of additional calculations in each individual's account, the work of this office will be vastly increased.

The papers are herewith returned.

Respectfully,

R. W. TYLER, *Auditor*.

OFFICE OF AUDITOR FOR INTERIOR DEPARTMENT.

**STATEMENT OF MR. ROBERT S. PERSON, AUDITOR FOR THE
INTERIOR DEPARTMENT.**

Mr. BINGHAM. This estimate, Mr. Auditor, provides for a net increase of two employees, and a net increase in the amount of appropriation of \$5,000. You ask for two additional clerks at what compensation?

Mr. PERSON. At \$1,800.

Mr. BINGHAM. That is, two new clerks at \$1,800?

Mr. PERSON. Yes.

Mr. BINGHAM. Are they promotions?

Mr. PERSON. Not necessarily.

Mr. BINGHAM. Where do you get technically trained men like that?

Mr. PERSON. Those may be reductions, or transfers, or entirely new appointments, General. The service is not always filled, you know, by promotions.

Mr. BINGHAM. Is the increase in the number of employees necessary on account of the material increase of business?

Mr. PERSON. Yes. Much additional work in the Pension Division has resulted from the act of Congress of February 6, 1907. There has also been a great increase in work due to the Reclamation service and there will shortly be a marked increase of work in the settlement of accounts in the Indian service, due to recently instituted methods of handling and accounting for trust funds. The increase of the two clerks asked for in my estimate is indispensable if the work of the office is to be kept current. My people are now worked to the full limit of their capacity and I hope provision will be made for the services of two strictly high-class employees.

Mr. BINGHAM. You ask for only two increases?

Mr. PERSON. Yes.

Mr. BINGHAM. The others are promotions?

Mr. PERSON. The arrangement I have suggested for salaries in classes one and two particularly, is to adjust the salaries to the service.

Mr. BINGHAM. How long have you been the Auditor?

Mr. PERSON. I have been in the office something over ten years, and I have been Auditor about seven years.

There is a large number of clerks employed on practically the same kind of work, and I have been trying for a number of years, and have succeeded a little at a time, to equalize the salaries in this service, so that they will be more uniform and just. In my opinion clerks of generally equal capacity and industry engaged in the same kind or substantially the same grade of work, should be paid uniform salaries or as nearly so as that can be provided for. A wide discrepancy in salaries among clerks engaged in work of the same grade has a tendency

to create jealousies and discontent—and very naturally so. During the past few years there has been a gradual adjustment and removal of this cause of jealousy and discontent, and if you will adopt the recommendations in my estimates this year I am confident that the service will be greatly benefited. The adjustment that can be made on the basis submitted should correct most of the present evils of the nature described and prevent their recurrence in the near future. I hope your committee will approve all my recommendations in this year's estimates without modification. I can and do assure you that important beneficial results will follow their enactment into law.

NEW AUDIT SYSTEM.

Mr. BINGHAM. Have you established the new Audit system inaugurated by the Treasury Department?

Mr. PERSON. Yes, sir.

Mr. BINGHAM. When did you start?

Mr. PERSON. On the first of July. I was a member of the committee appointed by the Secretary to assist in installing that service.

Mr. BINGHAM. Does it give you additional work?

Mr. PERSON. The new system of rendering accounts and assembling checks makes some additional work.

Mr. BINGHAM. Does it increase your force necessarily?

Mr. PERSON. It was estimated that it would require at least six per cent more work in my office. We made a test of it. There were other offices that estimated that it would increase the work 25%. My estimate was 6%; so, in asking for an increase here, that is one of the elements—but only one and a minor one—that determined my action.

Mr. BINGHAM. It is not that much?

Mr. PERSON. It does not affect all the force. It does not affect the Pension Division, where approximately one-half of all my people are employed; nor does it add to the work of all of the other clerks—only a part of them are affected by it.

Mr. BINGHAM. Has the system worked satisfactorily so far?

Mr. PERSON. We have not had time to try it yet. It did not go into effect until the first of October. All my accounts are rendered and settled quarterly, and we have not received accounts for the quarter ended December 31st yet. They are in the administrative offices.

Mr. BINGHAM. Do you think your original estimate of 6% is correct, or too large?

Mr. PERSON. It is not too large. I think it is conservative.

Mr. BINGHAM. Do you think it a good system after your investigation?

Mr. PERSON. There was a demand for a change in the old methods of doing business. Whether or not the proper method has been devised, I am not prepared to say.

Mr. BINGHAM. It has to be tested?

Mr. PERSON. Yes.

Mr. GILLET. You say it is admitted that it is going to require at least six per cent more clerical work? What is the compensating advantage of the new method? Why was some change deemed necessary?

Mr. PERSON. The practice in vogue for many years in the payment of public creditors through disbursing officers had been to require of the creditors in advance—required by the disbursing officers—a receipt from them. It was discovered in many instances that those receipts were not evidences of payment. At best they were only *prima facie* evidence of payment and in many cases those receipts were discredited on their face; in this way, for instance: A man would receipt for a check which he would sign for in blank. His receipt would be signed on a certain date. The very check which he was receipting for, the description of which was afterwards filled in on this receipt, would show that it was issued on a subsequent date. That is not a business-like way of transacting business.

Mr. GILLETT. It is a palpable fiction?

Mr. PERSON. Yes. But I have never desired to be understood as approving unqualifiedly the system that has been inaugurated.

Mr. GILLETT. Is that the main advantage of the new system—the not receipting in advance?

Mr. PERSON. Well, to be very frank with you, I have never appreciated some of the defects which others have considered palpable in the method of doing business in the past, with the exception of what I have just recited about the receipt.

Mr. GILLETT. Is that the main purpose of it, to get rid of the receipting in advance?

Mr. PERSON. I think that was the main purpose. The circular that was issued recited that first among reasons for its issuance.

Mr. LIVINGSTON. How did that signature affect the final settlement, as to its correctness?

Mr. PERSON. In no way. Of course you have the best evidence of the payment in the check.

Mr. LIVINGSTON. Yes, but a check may be forged. When I receipt to you for a given sum of money—

Mr. GILLETT. When it is well known that you receipt for it before you get it, I do not see that it amounts to much as a receipt.

Mr. PERSON. The indorsement on the check, of course, if genuine, is conclusive evidence of payment. That is what we will now get. We will get conclusive evidence of payment.

Mr. BINGHAM. And that is the only advantage in the new system as against the old system, that you see, so far as the auditing department is concerned?

Mr. PERSON. That is the principal change.

Mr. BINGHAM. But it takes additional force?

Mr. PERSON. It requires some additional work.

Mr. GILLETT. Would there not be some method of getting that without this extra work—without this assembling of checks?

Mr. PERSON. You are touching on a subject that occupied the attention of the Keep Commission for a long time. I had another scheme of my own which rather coincided with one of the Comptroller's. We rather agreed upon a different proposition from this. But this was adopted.

Mr. BINGHAM. How do you make payment under the present system to all the subordinate force, laborers and all that character of force? How is that settled?

Mr. PERSON. You know that the law requires that the disbursing officer shall make all his disbursements by checks. The Secretary of the Treasury, many years ago, issued a circular which in effect modified that law as to pay rolls, sums under \$20, etc., and recognized the authority of the disbursing officer to make payments in cash in such cases; but that is not statutory.

Mr. BINGHAM. It is simply a Treasury regulation?

Mr. PERSON. Yes.

Mr. GILLET. How long has that been in force?

Mr. PERSON. Long before my time. We could hardly get along without it. That is the reason why this circular was issued.

Mr. BINGHAM. It is almost impossible to follow the letter of the law?

Mr. PERSON. Yes.

Mr. LIVINGSTON. Do your laborers come up and sign the pay roll and get their money?

Mr. PERSON. Yes, sir.

Mr. GILLET. Is that still done?

Mr. PERSON. Yes.

Mr. GILLET. So that this new system does not affect that?

Mr. PERSON. No. It is made specifically not to affect that, because the pay roll is an exception in this new scheme. Not only day laborers are paid in cash, but the clerical force are paid in cash.

Mr. BINGHAM. So I thought.

Mr. GILLET. Are they still, under the new system?

Mr. PERSON. Yes, sir.

Mr. BINGHAM. Does the new system follow, then, the present existing system so far as this line of cash payments has heretofore run?

Mr. PERSON. I think so, with the exception that there is a form of voucher prescribed recently to make a certification of the service that was not general before.

Mr. BINGHAM. Still the payment is made in cash?

Mr. PERSON. Yes. There is no change so far as the payment is concerned.

Mr. LIVINGSTON. That voucher gives you more work, does it?

Mr. PERSON. It is not the voucher, but it is the assembling of the checks.

Mr. LIVINGSTON. I understand that; but you did not have that form of voucher before?

Mr. PERSON. I had substantially that form of voucher in my office for two or three weeks before this was inaugurated. I thought it indispensable, to the proper auditing of accounts, to have a properly certified voucher and properly certified payroll, which up to two or three years ago I did not have, and which, up to the time this new system went into effect, was not general.

Mr. GILLET. What is the difference of certification?

Mr. PERSON. It would be difficult for me to describe it in detail, but in a general way the service was not certified to before. For instance, a clerk would be detailed, say, from the supervision of the Commissioner of Pensions to some other branch of the service. The Commissioner of Pensions would in a perfunctory way "approve" the payroll, but he knew nothing about the service performed by the clerk detailed from his office. The Secretary of the Treasury in 1905 required payrolls in Washington to be certified to by officers who had

personal knowledge of the service performed. That was started in the office of the Auditor for the Interior Department; a requirement of the Auditor first; and then it was extended to all the other service in the Departments in Washington.

Mr. BINGHAM. All the subordinate force of the Government, so far as location here is concerned, are paid in cash in all the Departments?

Mr. PERSON. They may be; not absolutely all. Some are paid by checks. I am paid by check, because I prefer it.

Mr. BINGHAM. But you could have the cash if you desired?

Mr. PERSON. Yes.

Mr. BINGHAM. That is the present system?

Mr. PERSON. Yes, sir.

Mr. BINGHAM. That has worked successfully?

Mr. PERSON. I think so.

Mr. BINGHAM. Was there any recommendation made by your commission for a change of the law as to that?

Mr. PERSON. I think not.

OFFICE OF AUDITOR FOR STATE AND OTHER DEPARTMENTS.

STATEMENT OF MR. CALEB R. LAYTON, AUDITOR FOR THE STATE AND OTHER DEPARTMENTS, ACCOMPANIED BY MR. S. R. JACOBS, CHIEF OF DIVISION.

Mr. BINGHAM. What Departments do you audit for?

Mr. LAYTON. The Bureau audits the accounts arising in (1) the Department of Justice, including those of all U. S. Courts; in (2) the Department of State, including those of Diplomatic and Consular officers and those arising out of foreign intercourse; and (3) all accounts relating to the Senate, the House of Representatives, the Government Printing Office, Library of Congress, contingent expenses of the Court of Claims, Executive Office, Civil Service Commission, Smithsonian Institution, Interstate Commerce Commission, Territorial governments, State, War, and Navy Department building, District of Columbia, Department of Agriculture, Department of Commerce and Labor, and all boards, commissions, and establishments of the Government not within the jurisdiction of any of the Executive Departments.

Mr. BINGHAM. Those are audited by you in accordance with legislation?

Mr. LAYTON. Yes, sir. In the Department of Commerce and Labor in two years the appropriations have largely increased, and therefore there has been a corresponding increase in the number of accounts, and in the number of employees. In the Department of Agriculture the appropriations have doubled in the past two years. We have the exact figures, if you would like to have them.

Mr. BINGHAM. How many clerks do you ask for additional?

Mr. LAYTON. Five clerks, one assistant messenger, and a second assistant messenger in lieu of a laborer now on detail to this office.

Mr. BINGHAM. How many promotions or increases of salary are there?

Mr. LAYTON. Only one increase of salary. That is our examiner.

Mr. BINGHAM. The promotions are how many?

Mr. LAYTON. We have no special promotions.

Mr. JACOBS. These places are requested in the higher grades with a view to promoting those in the lower grades.

Mr. LAYTON. There are no special promotions except the general increase recommended by the President in all the bureaus.

Mr. BINGHAM. Have you been operating satisfactorily with your current force?

Mr. LAYTON. We have not.

Mr. BINGHAM. We have given you during the current year what you asked for.

Mr. LAYTON. You mean so far as appropriations are concerned?

Mr. BINGHAM. Yes. Are you up in your work?

Mr. LAYTON. No, sir, not in the Miscellaneous Division. We are up in the Judicial Division, and in the Consular Division; and although there is an increased amount of work, a small increase every year in both of those, yet the fact that they deal with only one character of accounts has made the clerical force of those divisions of increased efficiency, so that we are able to keep up with those accounts.

Mr. BINGHAM. In the other divisions you speak of, are you behind much more than usual?

Mr. LAYTON. Very much.

Mr. BINGHAM. Have you had an increase of work in the current year that has thrown you back?

Mr. LAYTON. Yes.

Mr. BINGHAM. Will this increase here asked for suffice?

Mr. LAYTON. It is designed to remedy the condition in the Miscellaneous Division of the Bureau of which I am the head, caused by the increased appropriations by Congress and the increased number of vouchers and accounts entailed thereby. That is the situation.

Mr. LIVINGSTON. Does the Department of Commerce and Labor and these other establishments come into that Miscellaneous Division?

Mr. LAYTON. Yes, sir. I can give you that if you wish. The Miscellaneous Division audits the accounts of the Agricultural Department, the Department of Commerce and Labor, the District of Columbia, the Government Printing Office, the Library of Congress, the White House, the Senate, the House of Representatives, the Interstate Commerce Commission, the Smithsonian Institution, and all other boards, commissions, etc., not in the jurisdiction of any other Department.

Mr. BINGHAM. How many subordinates are there in that division?

Mr. LAYTON. About 26.

Mr. BINGHAM. Can they handle the work?

Mr. LAYTON. They can not. We have doubled the number of accounts unsettled since last June.

Mr. BINGHAM. Your requested increase is to go into that division?

Mr. LAYTON. Into that division alone.

Mr. BINGHAM. Are your other divisions up in an average condition?

Mr. LAYTON. Yes, sir; and so far as I can see, beyond any question I think we can keep them so. I think these other divisions are pretty well provided for. They have only one character of accounts, and they become specially efficient in that character of work. In the Miscellaneous Division there are all sorts of constructions of law,

as made by Congress. As you understand, when an appropriation is made, it involves many constructions of law as to the settlement of accounts. We have more construction of statutes in that division than in all the others put together.

NEW AUDIT SYSTEM.

Mr. BINGHAM. Have you entered upon the new system of auditing recently inaugurated?

Mr. LAYTON. Yes, since last September.

Mr. JACOBS. It has just begun to reach us now.

Mr. BINGHAM. Has it worked satisfactorily?

Mr. LAYTON. Yes.

Mr. BINGHAM. Does it require additional force?

Mr. LAYTON. My judgment is that it does. But after it has gotten started we do not think it will, because the clerks will become more familiar with it.

Mr. BINGHAM. It has no complications?

Mr. LAYTON. I think not.

Mr. LIVINGSTON. Does not that increase the work?

Mr. LAYTON. My own individual judgment is that it does, up to this time, to a certain extent; but I do not believe that after the clerks become familiar with its details and routine it will do so, and I believe that is the determination, practically, of the chiefs of divisions in the whole bureau. Is not that true?

Mr. JACOBS. Yes.

Mr. GILLETT. Will not this depression in business, which is reducing business all over, make a diminution in your accounts?

Mr. LAYTON. I do not think the depression of business will have anything to do with it.

Mr. GILLETT. Take the immigration business, for instance. That has dropped off prodigiously in the Department of Commerce and Labor?

Mr. LAYTON. It might in immigration, but I doubt very much whether there will be any decrease in the appropriations in the Agricultural Department or in forestry or in irrigation; rather an increase.

Mr. GILLETT. Why?

Mr. JACOBS. You gentlemen have increased the appropriations there.

Mr. GILLETT. We do not increase the appropriations when there is depression.

Mr. LIVINGSTON. There was a very large increase in the Agricultural Department last year.

Mr. BURLESON. We have increased the expense of this Auditor's office 50 per cent since 1900. In 1900 it was \$93,000. Now it is \$123,480.

Mr. JACOBS. The Department of Commerce and Labor has been put upon us since that time. That is part of my Division. And the Department of Agriculture has grown enormously. I could handle it formerly with two clerks. Now it takes seven of eight.

Mr. BINGHAM. You now have one messenger. In lieu of one assistant messenger, which you now have, you ask for "three assistant messengers (one additional submitted, and one additional submitted

in lieu of one clasified laborer, at \$660, on detail from the Bureau of Engraving and Printing, to be transferred without regard to Civil Service rules and regulations)." What does that all mean?

Mr. LAYTON. That means the addition of one man. I wish to make a statement in that connection, for a reason that has transpired since it was put in. I find in the Urgent Deficiency bill an item indicating that there is a demand for several thousand dollars for the purpose of renting a building known as the Small Building, for the purpose of transferring the Bureau of the Auditor for the State and other Departments to that building. If that is made we will absolutely have to have, in addition to what we are asking for here, an additional increase in the messenger service. As you gentlemen know from the statement I read of the number of bureaus and commissions we are in contact with, and especially the fact that there is no auditorship under the Government—with relation to legal points necessary to be taken up with the Comptroller, and necessary cooperation with the Division of Bookkeeping and Warrants and other officers situated in the Treasury Building—that is so peculiarly constituted as ours, and there is probably no other bureau so closely connected with those offices as is that of which I am the head; and if we are transferred out of that building we shall be removed from law libraries and points of connection that we actually and constantly need in the daily settlement of accounts. We have a greater variety of accounts than any other auditorship under the Government, so that if we are removed from that building we will need not only the increase we are asking for, but a large further increase in addition to that.

Mr. LIVINGSTON. What is the necessity for that transfer?

Mr. LAYTON. I would not like to answer that.

Mr. LIVINGSTON. I want you to answer it.

Mr. LAYTON. My judgment is, speaking frankly, and solely for the proper prosecution of the work of the bureau, that it will seriously incommode the work of the bureau.

Mr. LIVINGSTON. Have you looked into the sanitary conditions of that Small building, as to whether your people will there be well cared for or not?

Mr. BURLESON. He has not answered why they are to be removed.

Mr. LAYTON. I do not know why we are to be transferred.

Mr. LIVINGSTON. Where did that idea to move you originate? Not with you?

Mr. LAYTON. No, sir.

Mr. LIVINGSTON. Were you not advised?

Mr. LAYTON. No, sir. We knew nothing about it until we saw it published in the Urgent Deficiency appropriation. I did not know it until two days ago.

Mr. LIVINGSTON. Can it be for want of space in your present building?

Mr. LAYTON. Without knowing, Mr. Livingston, my judgment is that there is a large addition to be made, or asked to be made, to the work of the Treasurer of the United States, to the clerical force, from what I have heard, and also a large addition to the Secretary's force; and my judgment is that the Auditor for the Interior Department would like also to concentrate his bureau there. All those elements, I think, have entered into it. But, as I said, I do not know anything specifically about it. That is just simply my impression.

Mr. GILLETT. Why do you need these additional messengers?

Mr. LAYTON. Well, in the first place, all our files are in the Treasury building.

Mr. GILLETT. You made this recommendation before you knew you were going to be transferred?

Mr. LAYTON. I made the recommendation because of the increased work that has arisen in the bureau itself by reason of the facts which I stated before. I do not think it needs a demonstration. That is the bureau into which all these miscellaneous accounts are placed for auditing. All boards and every kind of commissions created by Congress are thrown in there, and necessarily the work has increased; and if it does more work it takes more laborers.

Mr. GILLETT. What does the messenger do?

Mr. LAYTON. He takes certificates and papers and goes after files and performs the service of transferring the papers and one thing and another from one division to another, and from the bureau down to the Division of Bookkeeping and Warrants, and from there to the Comptroller, and from there to the Secretary of the Treasury. He takes anything that has to be transferred.

Mr. GILLETT. Why do you want this man to be a messenger outside the Civil Service rules?

Mr. LAYTON. I do not know, really. It was just put in there, and it was probably because of a former practice.

Mr. LIVINGSTON. Do you think the man you have now in mind, a laborer, would give you a better messenger service than anybody else you could get?

Mr. LAYTON. He has been on duty for a year and a half, and he is a satisfactory man to us.

Mr. LIVINGSTON. Is not that the reason you ask for it?

Mr. LAYTON. That is the reason.

Mr. GILLETT. You did not really ask it?

Mr. LAYTON. No, sir. I really thought he was under the civil service.

Mr. BINGHAM. You asked for him because he has been legislatively identified with your bureau? You could ask for a laborer and appoint him?

Mr. LAYTON. Undoubtedly.

Mr. BURLESON. How old is he?

Mr. LAYTON. It is Boarman, about 25 years old.

Mr. LIVINGSTON. How many clerks have you in the division to be transferred to that new building, if that item in the bill is passed?

Mr. LAYTON. Seventy-nine. We have taken the dimensions of that new building, and according to the space we now occupy, we fail to find the number of square feet there necessary to accommodate our force. We could not keep any accounts over there without absolute fear of a fire arising; it is not a fireproof building. That is evident to the eye, so that every time we have accounts in that building they would be liable to destruction by fire. They should be in a fireproof building.

Mr. GILLETT. We have nothing to do with that change.

Mr. LAYTON. No.

Mr. LIVINGSTON. It may have some bearing on the question of transferring it, as to whether you can get sufficient accommodations or not.

Mr. GILLETT. That is not legislation. We do not transfer him over there. The head of the Department transfers him.

Mr. LIVINGSTON. No, sir; there is an item in to-morrow's appropriation bill. That is the reason I asked him again, because it comes up again on another bill that we have.

Mr. LAYTON. It certainly is not a fireproof building.

Mr. LIVINGSTON. If your accounts were transferred, you would not try to keep them there?

Mr. LAYTON. No, sir. The working accounts would be liable to destruction by fire, and it would be impossible for us every night to take all the current accounts that we are working on and carry them back to the Treasury building, and next morning take them back again to our bureau. It would entail such an enormous amount of labor that we could hardly do it.

OFFICE OF AUDITOR FOR POST-OFFICE DEPARTMENT.

STATEMENT OF MR. C. A. KRAM, LAW CLERK.

Mr. BINGHAM. I see you ask for ten additional clerks, two at sixteen hundred dollars, two at fourteen hundred dollars and six at twelve hundred dollars; and a class of skilled laborers at \$780 is recommended. Have you been able to work satisfactorily under the current appropriation?

Mr. KRAM. We have, except in the money order branch.

Mr. BINGHAM. You have been able to handle the work?

Mr. KRAM. Yes, in part. The work of the office up to Nov. 1, 1907, was current but in order to make it so it was necessary to require some of the divisions engaged in the audit of money order accounts to work overtime. Since that date this work has fallen behind somewhat, probably ten or twelve days. There has been a wonderful increase in the money order business since the beginning of the present fiscal year. It is the policy of the Postmaster General to require every postmaster, whenever it is practicable, to transact postal money order business.

Mr. BINGHAM. Since July 1 the money order business has been exceptionally great?

Mr. KRAM. Yes, sir.

Mr. BINGHAM. To what percentage?

Mr. KRAM. During the fiscal year 1907 the number of domestic money order offices increased 128. From July 1, 1907, to Dec. 31, 1907, 1,322 additional offices were established.

On Jan. 2, 1908, notice was received from the Postmaster General that 2,988 additional offices had been authorized to transact domestic money order business. The number of money order offices in operation on June 30, 1907, was 37,572, and at present there are in existence approximately 42,000 money order offices, an increase in one-half of the present fiscal year of 4,500 offices.

Under date of Jan. 4, 1908, the Auditor submitted an estimate requesting ten additional clerks to handle work which must inevi-

tably result from this extraordinary extension of the money order system.

Mr. TAWNEY. Can you give the increase in the number of orders issued?

Mr. KRAM. We can give the increase up to and including the quarter ended September 30, 1907, only. As you know these accounts are kept quarterly under the law and the settlement for the quarter ended December 31, 1907, will not be completed until about April 1, 1908.

Mr. TAWNEY. How much has the new work increased and how much has the money order business here in the office increased? Do you know how many money orders have been issued?

Mr. KRAM. Yes. In the fiscal year 1907 there were issued 62,530,408 domestic money orders and 3,179,511 international money orders, a total of 65,709,919, an increase of 4,212,058 over 1906. For the quarter ended September 30, 1907, 14,677,672 money orders were issued as against 13,314,005 for the same three months in 1906, an increase of about 10%. This, of course, does not include the orders paid.

Mr. BINGHAM. Have you any knowledge since the end of the year that will warrant you in telling us whether the money order business has increased very largely in the foreign service?

Mr. KRAM. Yes. The number of international money orders issued in the fiscal year 1907 was 3,179,511, in the fiscal year 1906, 2,634,738, an increase of 544,773. In the quarter ended September 30, 1907, 827,848 international orders were issued; for the same period in 1906, 685,202; an increase of 142,646, or over 20%.

Mr. TAWNEY. I tell you what I think would be of use to the Committee. If you could give the number of money orders issued in the months of November and December, 1907, and the number of money orders issued in the months of November and December, 1906, to see what effect the panic had on the money order business during those two months as compared with the two corresponding months of the preceding year, when there was no panic, it would be an interesting piece of information.

Mr. KRAM. It would not be possible for the Auditor to furnish that information within a reasonable time. The accounts are kept, under the law, by quarters, and the monthly figures are included in the quarterly recapitulation. To get that result would necessitate an examination of every one of the 42,000 accounts.

Mr. BINGHAM. The increase of subordinate force that you ask for will be assigned where? Is that where you need them most?

Mr. KRAM. By your reference to subordinate force do you mean the proposed grade of \$780?

Mr. BINGHAM. No. The request of the Auditor is for an increase of a certain number of clerks, and then for a class of skilled laborers. Where will you assign the additional clerks?

Mr. KRAM. To the work of auditing the money order business.

Mr. BINGHAM. That is where you will need them?

Mr. KRAM. Yes, sir.

Mr. BINGHAM. The other divisions can handle themselves?

Mr. KRAM. Yes, sir. The work of the other divisions of the office is up to date. It is only for the work of auditing the money order business that this increase is asked.

Mr. LIVINGSTON. Of what class will the additional clerks be?

Mr. KRAM. The original estimate is for two at sixteen hundred dollars, two at fourteen hundred dollars and six at twelve hundred dollars, and the additional estimate submitted is for double this number in each of the respective grades.

Mr. LIVINGSTON. You are going to put the lower ones somewhere else? The proposed \$780 grade?

Mr. KRAM. Yes, sir. I want to call attention to the request of the Auditor for the change in grade of thirty skilled laborers.

Mr. BINGHAM. I was going to refer to that. A class of skilled laborers at \$780 is recommended. How many have you?

Mr. KRAM. Eighty at \$660 and 84 at \$720.

Mr. BINGHAM. To how many of these do you propose to increase the compensation of?

Mr. KRAM. The proposed increase will advance 30 employees who now get \$660 to \$720, and 30 who now receive \$720 to the new grade, \$780. It will result in the promotion of 60 employees requiring a total increase in the appropriation of \$3,600.

Mr. BINGHAM. Why do you ask that?

Mr. KRAM. Most of the skilled laborers employed in the office are in the nonapportioned service and by a Civil Service rule are precluded from advancement above the grade of \$720, and the Auditor believes that if the incentive to promotion is held out to these low grade employees it will stimulate them to greater activity in their work and result in increased efficiency.

Mr. BINGHAM. Would not that reasoning apply to every Department of the Government?

Mr. KRAM. These employees are expert in handling money orders and accomplish a vast amount of work in the course of a year.

Mr. BINGHAM. It is the creation of a new grade and higher compensation?

Mr. KRAM. It is. These employees are performing work, which in the judgment of the Auditor entitles them to more pay than the small compensation they now receive.

Mr. GILLETT. What work do they do?

Mr. KRAM. They are engaged in assorting money orders.

Mr. LIVINGSTON. Is not the question of a decent living involved in that matter?

Mr. KRAM. There is no doubt of that. The Auditor in submitting the estimates so states.

Mr. BURLESON. These places are all filled by women, are they not?

Mr. KRAM. Yes, sir.

Mr. BURLESON. And some of them have become very proficient?

Mr. KRAM. Most of these low grade employees are capable of performing a vast amount of work. They assort on an average approximately 25,000 orders daily, a work which requires physical endurance, intelligence, dexterity and constant application.

Mr. GILLETT. Can you give us a statement of the money order business for the fiscal years 1906 and 1907, and for part of the present fiscal year?

Mr. KRAM. Yes, sir. We will furnish such a statement.

Statement:

FISCAL YEAR 1906.

	Number.	Total number.	Amount.	Total amount.
Domestic money orders—				
Issued.....	58,863,123		\$450,359,052.00	
Paid.....	59,013,902		451,531,729.00	
		117,877,025		\$901,890,781.00
International money orders—				
Issued.....	2,634,733		57,204,607.04	
Paid.....	833,140		7,664,932.67	
		3,017,873		64,869,539.71
		120,894,908		966,760,320.71

FISCAL YEAR 1907.

Domestic money orders—				
Issued.....	62,530,408		\$486,478,146.65	
Paid.....	62,925,141		489,297,344.17	
		125,455,549		\$975,775,490.82
International money orders—				
Issued.....	3,179,511		77,252,907.05	
Paid.....	898,759		8,162,062.98	
		3,578,270		85,414,970.03
		129,033,819		1,061,190,460.85

FISCAL YEAR 1908 (JULY 1 TO SEPTEMBER 30, 1907).

Domestic money orders—				
Issued.....	13,849,824		\$117,191,824.37	
Paid.....	13,752,411		116,474,890.49	
		27,602,235		\$233,666,714.86
International money orders—				
Issued.....	827,848		24,226,061.98	
Paid.....	90,833		1,988,679.56	
		918,681		26,214,741.54
		28,520,916		259,881,456.40

OFFICE OF THE TREASURER.

STATEMENT OF MR. CHARLES H. TREAT, TREASURER OF THE UNITED STATES, ACCOMPANIED BY MR. JOSEPH O. MANSON, CHIEF OF DIVISION.

Mr. BINGHAM. Mr. Treasurer, first let me ask you one question: Your estimates for 1908 were, in round numbers, \$435,000 for the Office of the Treasurer. The current law gave you \$433,000—in effect your request. How are you operating under the current law—satisfactorily?

Mr. TREAT. No, sir. I wish to say in the beginning that there has been a serious misunderstanding as to the estimate of appropriations. When called upon by the Secretary's Office I was asked to make up the estimates in the usual way, and then to submit an estimate for reclassification to the Secretary. I made up the latter on the basis of the recommendations of the Keep Commission, wherein the President requested a statement as to the proposed grades and compensation. This it was understood would go with the first estimate.

Mr. BINGHAM. When was this?

Mr. TREAT. That was last Autumn. He asked me to have that readjusted according to the Keep estimate, which was submitted to

us for approval and rearrangement; but in addition to making a general increase, I made also an equitable rearrangement, and they requested me to submit that estimate. I supposed that it would go in as the annual estimate of the Treasurer, but to my consternation I found that the first estimate which I had submitted in the usual way had been used. I was misled, otherwise the estimate first submitted would have provided for an increase of salaries.

Mr. BINGHAM. How many persons were associated with the Keep investigation?

Mr. TREAT. Five.

Mr. BINGHAM. That had reference solely to the clerical force and the reorganization of their lines of work, should they be necessary?

Mr. TREAT. Yes.

Mr. BINGHAM. That was the purpose?

Mr. TREAT. Yes. Now, we were also told in advance that the President insisted that we should recommend nothing that would go beyond a 10 per cent increase in our estimate. Instead of printing the estimate on this basis, they printed the regular estimate, first submitted, which did not embody any of the recommendations of the Keep Commission.

Mr. GILLET. Whom do you mean by "they?" "They" asked you?

Mr. TREAT. I mean the Secretary's Office in the Department. They dictate to us how we shall make our report.

Mr. BINGHAM. Does your estimate ask for more than the estimates of the Department ask for?

Mr. TREAT. Yes.

Mr. BINGHAM. You go on the basis of 10 per cent increase?

Mr. TREAT. The increase of salary asked for averaged 5.3 %.

Mr. BINGHAM. You observe the fact that the estimate here gives you an increase of \$47,000?

Mr. TREAT. Yes, but that is not adequate and more will be needed.

Mr. BINGHAM. You had \$433,000 in the current law, and you now appear to ask for \$480,000, under estimates much less than the original estimates which you made to the Department, and your estimates are predicated on a 10 per cent increase?

Mr. TREAT. The estimates in urgent deficiency bill are simply for additional employees absolutely needed.

Mr. BINGHAM. What estimate do you make? Instead of \$480,000, as estimated in the Book of Estimates, what was your original estimate?

Mr. TREAT. \$528,000.

Mr. BINGHAM. In other words, your estimate is an increase over the current law of \$95,000?

Mr. TREAT. Yes.

Mr. BINGHAM. How many men does this run to?

Mr. TREAT. Four hundred and eighty-seven employees. The total of our force asked for is 487.

Mr. BINGHAM. How many do you increase?

Mr. TREAT. Sixty-seven, for this reason: We have from the Bureau of Engraving and Printing 41, who have been detailed to our office, and we could not have done the business of the Treasury in counting and issuing money without them. We want to get them on our roll, beginning on the Urgent Deficiency of February 1st. Then in addi-

tion to that we ask for 11 more persons. The 41 are already employed in the Department, but they are carried on the roll of the Bureau of Engraving and Printing, which pays them. We have to have them for the increased work in the Department. When you consider that within the last year and a half we have increased the daily number of packages of money from 120 to 180—that is 50 per cent—you will appreciate the increase of our work. Now, we have found by experience that it requires on an average one person to each package of money prepared for issue, that is, a package of one thousand sheets. That force has worked over-time continually, so that about 40 per cent of those persons have not taken all their annual leave of absence because we could not let them do it. We have been under the most extraordinary pressure in the Treasury that ever was known. We have had to hold those 41 employees detailed from the Bureau of Engraving and Printing, because we had no money.

Mr. BINGHAM. Then they do not stand on your exhibit here?

Mr. TREAT. No, but we want to get them on our roll. What we want is the \$528,000.

Mr. GILLETT. How long have you had those people there?

Mr. TREAT. Since last Spring.

Mr. BURLESON. How did they dispense with their services over at the Bureau of Engraving and Printing?

Mr. TREAT. They had to call for others elsewhere. They could only let us have them, so many a week, until they could supply competent hands to keep themselves going. They had a lump-sum appropriation at Bureau of Printing and Engraving. They can do that, but we can not. We would have had to shut down business if we had not had that resource.

Mr. BINGHAM. Under the current law how are you situated with respect to your work?

Mr. TREAT. We are behind.

Mr. BINGHAM. How much behind?

Mr. TREAT. I should say we were behind fully 10 per cent.

Mr. BINGHAM. Why?

Mr. TREAT. Because we have not the force that could do it.

Mr. BINGHAM. You asked for \$435,000 last year, and Congress gave you \$433,000.

Mr. TREAT. Yes; but I will state one thing: When I came to the Department July 1905 I at once made a reorganization of the system, and I withdrew my request for an increased appropriation in January, 1906 as I could do the work without any increase. The next year I did not ask for any increase. But this year, with the enormous increase in the output of currency and the enormous business involved in doing a bank business and increasing the bank deposits, to \$250,000,000 we have had to work overtime.

Mr. BINGHAM. Is that the result of business, or the rearrangement of the force?

Mr. TREAT. The result of business, and it could not have been properly transacted if I had not perfected the reorganization of the force. In my reorganization, as Major Meline said to me—he rather objected to my making that reorganization; that was in May—in November he said, "Mr. Treat, I am amazed at what you have accomplished, and it will save this Department tens of thousands of dollars." I said, "Major, it is because of this spirit of cooperation which per-

vades all ranks of our force that the employees have been able to do this." We have a "Treasurer's Cabinet," you know, and this conversation took place at one of the meetings of that cabinet. This year the work has come to a culmination, and we need an addition to the force.

Mr. GILLETT. You got 33 new men year before last.

Mr. TREAT. Those came as a detail.

Mr. BURLERSON. The expenses of the office have increased 50 per cent since 1900.

Mr. TREAT. I just ask to be able to take care of that detail that we had to have.

Mr. GILLETT. Two years ago we gave you 32 new employees.

Mr. TREAT. They came on with the detail.

Mr. GILLETT. You got the detail in addition.

Mr. TREAT. In taking care of the money for redemption from last January up to the first of June, those counters gave a half an hour extra service every day. Why? Because the money came in in such volumes that we had in our vaults from ten to twelve million dollars in excess of what we could count daily. It was embarrassing in two ways: First, if the count was not returned promptly and there was an error, they would say that error was against the sending bank. That is the Redemption Division. In the Issue Division, where we prepare the money for issue, we had the same condition. We had to work overtime, and we would not allow those people to take their leave all during the summer. We had to have this money printed. We did not have any stock on hand, and yet those people, out of patriotic feeling and the urgency of the situation, stood there and performed their work—

Mr. GILLETT. And out of fear of losing their places.

Mr. TREAT. There is no perfunctory work done in the Treasurer's Office.

Mr. BINGHAM. How about the Paying Division?

Mr. TREAT. When you come to paying out United States notes and silver certificates, that is another matter. That has nothing to do with the increased labor required in the issue and redemption divisions.

Mr. BINGHAM. Did you approve of that which forms part of the estimate on our book, on pages 99 to 100 inclusive? In the total it gives \$480,000 for your office force in lieu of the \$528,000 which you mentioned.

Mr. TREAT. This illustrates just what I said in the beginning. I was asked to make up that estimate by the Secretary's Office on the old basis of salaries, with due regard to the increase of force. But the estimate based upon the recommendation of the Keep Commission providing for an increase of salaries from the lowest paid up was also submitted and which it was thought would be used, but it appears that it was superseded by this estimate that we have here. To my astonishment, when I came to look it up a day or two ago, I saw that there had been a misunderstanding.

Mr. BINGHAM. That is because the Secretary approved the one set of estimates instead of the other.

Mr. TREAT. They made a mistake. Mr. Lyman admitted it this morning. He said, "All you have to do is to take that up and tell the Committee the facts." The Treasurer asks the privilege of making up between now and Friday a new report, printed in proper shape.

Mr. BINGHAM. In other words, you propose to change from the current law, \$433,000, to your new estimate for 1909—\$528,000, is it?

Mr. TREAT. Yes; \$528,194.

Mr. BINGHAM. In other words, about \$95,000 increased?

Mr. TREAT. Yes.

Mr. BINGHAM. You ask us to consider that in lieu of what is in the book?

Mr. TREAT. Yes.

Mr. BINGHAM. You made your estimate of \$95,000 additional on a 10 per cent increase to a large proportion of your employees?

Mr. TREAT. An addition of 10 per cent on salaries and an increase of 67 employees—41 of them by transfer.

Mr. BINGHAM. From what roll?

Mr. TREAT. The 41 we have from the Bureau of Engraving and Printing.

Mr. BINGHAM. That will not be paid by the Bureau of Engraving and Printing?

Mr. TREAT. Not if we get them on our roll.

Mr. BINGHAM. What is their pay now?

Mr. TREAT. It is \$600, and \$660, and the highest is \$800.

Mr. BINGHAM. I suggest, Mr. Tawney, that this new estimate had better be printed and submitted formally.

Mr. TAWNEY. There is this difficulty about that: The law expressly provides how estimates shall be submitted, and none except deficiency estimates can be submitted after a regular estimate of this kind has been sent in. Under the law that can not be submitted now. The estimate must come to us from the Secretary of the Treasury through the Speaker of the House. Even a supplemental estimate has been cut off by a provision of the last Congress.

Mr. TREAT. A mistake was made at the Treasury. They asked us to make the first estimate, as I supposed, in order that they might compare it with the new, subsequently submitted. There is not a single estimate here for an increase of salary. There are but few bureaus of the Government that do not have an increase, and this ought to show to you that this estimate was simply made as a basis of comparison, because there is no increase of salary in it—

Mr. TAWNEY. It is due either to oversight or to the incompetence of somebody in the Treasury Department.

Mr. MANSON. It is an oversight.

Mr. BINGHAM. There is an increase from \$433,000 to \$480,000 in the estimates as they appear here.

Mr. GILLETT. Where did you get your idea of this 10 per cent increase?

Mr. TREAT. When the Keep Commission was formed they came to our bureau, and when they examined it they thought we had done a good many things that met their approval. They said, "We do not feel that we could take this bureau up as intelligently as you have done," and they complimented us to the President very highly in that connection; and they took up the whole increased pay of the under-official force, which did not run more than 10 per cent increase in the aggregate.

Mr. GILLETT. That has never come before Congress.

Mr. TREAT. That is what I see. If you adhere to this estimate, the Treasurer will not be able to satisfactorily transact his business.

Mr. GILLETT. I mean this 10 per cent business.

Mr. TREAT. All the other bureaus put in an estimate for an increase in salaries.

Mr. GILLETT. Not on a 10 per cent basis, however.

Mr. TREAT. They make a basis themselves.

Mr. SULLIVAN. How did this mistake occur?

Mr. TREAT. When I came to look it up I found the wrong estimate was put in there. It was a printer's mistake up in the Appointment Division. That is where the trouble was.

Mr. GILLETT. The only mistake is that they have not put in the promotions?

Mr. TREAT. No, sir; and they have not put in all the additional force we wanted.

Mr. GILLETT. They put in sixty-seven?

Mr. TREAT. Sixty-seven and we want eleven more.

Mr. BINGHAM. Is there any difficulty about your holding this detail from the Bureau of Engraving and Printing?

Mr. TREAT. No, I believe not.

Mr. BINGHAM. Do you take this detail and increase its compensation?

Mr. TREAT. No, sir.

Mr. BINGHAM. That is not included in your estimates?

Mr. TREAT. No, sir.

Mr. BINGHAM. You hold them at just the same compensation?

Mr. TREAT. Yes, sir; and give them a chance for promotion.

Mr. BINGHAM. But you make no money promotion?

Mr. TREAT. No, sir.

VAULT CLERK.

Mr. LIVINGSTON. As to the one vault clerk at \$2,000, is that a promotion?

Mr. TREAT. Yes, sir.

Mr. LIVINGSTON. How much of a promotion?

Mr. TREAT. Two hundred dollars.

Mr. LIVINGSTON. Does that man give any bond?

Mr. TREAT. No, sir; nobody gives a bond but the Treasurer of the United States; that is a most surprising thing.

Mr. LIVINGSTON. Why do you ask for this man's promotion?

Mr. TREAT. That is a very responsible position and I want a man there who will be contented to stay there and not go after some mercantile proposition, and I want the compensation so that any man who is employed there can have a decent living. The moral responsibility outside of the service rendered is exceedingly important. At Chicago or St. Louis where they want a vault clerk they think that the lowest price to be paid him should be \$2,500. I put mine at \$2,000.

Mr. BINGHAM. Is he receiving \$1,800 now?

Mr. TREAT. Yes, sir.

Mr. GILLETT. How long has he been there?

Mr. TREAT. About six years.

Mr. MANSON. That vault contains all the bonds deposited with the Treasurer for the security of circulation and for the security of public deposits and to-day the value of those bonds is something in the neighborhood of \$800,000,000.

Mr. TAWNEY. What are his duties?

Mr. MANSON. To keep a record of all the contents of that vault. There are over 6,600 national banks that have deposits there to secure circulation and he is responsible for the deposits in each of the envelopes representing those banks.

Mr. TREAT. He is responsible also for an amount of about \$180,000,000 in face value of bonds for security of public deposits, and, remember, those bonds are almost entirely coupon bonds, and it is a matter of grave financial danger to the Treasurer. Every day we have to cut those coupons off and we have to send them by mail to the different banks. You have put upon the Treasurer there a responsibility that in any other place he would not take for \$25,000. Therefore, we ask that the clerks shall have such compensation as to remove them from temptation and that they can have an adequate amount of moral standing as well as clerical duty.

Mr. TAWNEY. How could he profit financially in his work?

Mr. TREAT. The only way would be that there could be coupons cut from those bonds.

Mr. TAWNEY. Would that enable him to get money on the coupons?

Mr. TREAT. He might.

Mr. TAWNEY. How?

Mr. TREAT. If there was somebody with him to get those bonds. We can not tell. We do not want the danger.

Mr. BINGHAM. How many persons are subordinate to him in that vault?

Mr. MANSON. None. He has exclusive charge of the vault. There are others who go in the vault, but he goes in with them.

Mr. LIVINGSTON. Does he get his usual leave?

Mr. MANSON. Yes, sir. The chief of the division takes charge during his absence.

Mr. BINGHAM. How many subordinate force is there in the division?

Mr. MANSON. About eight men.

Mr. TAWNEY. The record you speak of is made up from day to day. He does not make a complete record of everything in the vault?

Mr. TREAT. No, sir.

Mr. TAWNEY. He just keeps up the record, adds what goes in and subtracts what comes out?

Mr. TREAT. Yes, sir.

Mr. MANSON. In the annual report there is a statement showing the amount of bonds withdrawn and deposited.

Mr. TAWNEY. How many bonds are withdrawn and deposited?

Mr. MANSON. During the fiscal year 1907 there were bonds withdrawn to secure circulation \$75,670,290 and deposited \$113,429,740; deposited to secure public deposits \$152,883,572 and withdrawn \$77,641,176.

Mr. TAWNEY. How many pieces?

Mr. MANSON. I could not tell you that.

Mr. TREAT. If you would go into the vault, and I wish you would, you would see that we have a big paper warehouse piled all up on the floor and everywhere else, and you would see at once the importance of having a man with a clear head to keep the thing in line.

Mr. BURLESON. He does not do anything in the world but when an additional batch of bonds comes in he makes a memorandum and when the bonds are taken out he makes a memorandum?

Mr. TREAT. Yes, sir; that is bookkeeping. I have been told that there has been no Treasurer for forty years who has been brought in touch with the individual man as this man here, not one. We stay there until seven or eight o'clock.

EXPERT COUNTERS.

Mr. BINGHAM. You have fourteen expert counters now and you are asking for 34 expert counters. What is the reason for that increase?

Mr. TREAT. The reason for the increase is that the redemptions have increased and the issues to 180 packages.

Mr. GILLETT. Are these counters a part of the 67?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. That is the increase in work, do you expect it to continue?

Mr. TREAT. Yes, sir; and to increase. We have to have 200 packages daily or we will fall behind and because we are so short of the small bills required.

Mr. BINGHAM. Will this increase permit that?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. It will enable you to handle all the packages you want?

Mr. TREAT. Yes, sir; up to 200.

Mr. GILLETT. Does this estimate keep the counters at the same salary they are getting now?

Mr. TREAT. Yes, sir; except that there will be some readjustment.

Mr. GILLETT. What readjustment do you mean, a raise?

Mr. TREAT. Some will be raised and some lowered according to the service and responsibility of the work. The Keep Committee and ourselves arranged it.

Mr. GILLETT. I am not talking about the Keep Committee. Will you pay them the same rates they are getting now?

Mr. TREAT. The same rates with the chance for promotion.

Mr. GILLETT. With a chance for promotion, do you mean that this bill promotes them?

Mr. TREAT. No, sir.

Mr. GILLETT. You will put them in just as they are?

Mr. TREAT. Yes, sir.

Mr. LIVINGSTON. If they get off the statutory roll and get on this roll they will have an opportunity for promotion?

Mr. TREAT. Yes, sir. Persons are dying and marrying, and all that sort of thing.

Mr. BINGHAM. You have 14 counters and you want 34. That is an exceptional increase?

Mr. TREAT. We have increased the business 50%.

Mr. BINGHAM. That would be more than a hundred per cent.?

Mr. TREAT. Yes, sir; but at the same time we are not doing the work right up to date, we are behind.

Mr. BINGHAM. Are you much behind?

Mr. TREAT. About 10% during the whole year.

Mr. GILLETT. The 67 includes the 34 on detail?

Mr. TREAT. Yes, sir.

Mr. GILLETT. What do the detailed counters get, all the same salary?

Mr. TREAT. They start in from \$600 to \$660 and then we carry them up to \$700, \$720 and \$800. It is a very responsible place. They are responsible for every dollar lost, and responsible for every counterfeit that goes by.

Mr. BINGHAM. Do they ever pay anything?

Mr. TREAT. Yes, sir. This year some of them have paid as high as \$100.

Mr. BINGHAM. How do the losses occur?

Mr. TREAT. We keep track of the money that is lost. We keep a record. Some time ago a woman came to me and asked for a promotion. I looked at her record and said: "You are either too careless or else inefficient, and I can not promote you." When we are taking in two or three million dollars of money and it is in dreadful shape, tattered and torn and has to be pieced, and all those things, it is very risky.

MAIL MESSENGER—ADDITIONAL.

Mr. BINGHAM. You are asking for two male messengers at \$840 each, an increase of one mail messenger?

Mr. TREAT. Yes, sir; because the service is belated; we can not get the mail in time.

Mr. BINGHAM. What does the mail messenger do?

Mr. TREAT. He brings all the mail direct from the office?

Mr. BINGHAM. From what office?

Mr. TREAT. The postoffice.

Mr. BINGHAM. To your office?

Mr. TREAT. Yes, sir; and distributes it. It includes the registered mail.

Mr. BINGHAM. That is your own mail?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. He brings it in his own wagon?

Mr. TREAT. He has a wagon, of the Department. There is another thing, since we have been doing a banking business the increase in currency redemption by mail has been enormous.

Mr. GILLETT. The registered mail?

Mr. TREAT. Yes, sir. The banks on the Pacific coast send almost all their redemptions by registered mail and have them insured.

Mr. GILLETT. One messenger can bring up the mail, whether it is big or little, in the wagon?

Mr. TREAT. Yes, sir; but he can not distribute it. It would get there very late for our business.

Mr. MANSON. He has an enormous volume of business to attend to. He gets all the registered packages and takes receipts for them. The business is growing all the time.

MESSENGER BOYS—ADDITIONAL.

Mr. BINGHAM. You are asking for four messenger boys at \$480 each. How many messenger boys have you now?

Mr. TREAT. We have four and want four more. We are very short of messengers.

Mr. GILLETT. What do they do?

Mr. TREAT. We have messenger boys who carry things from one bureau to another, but we are very much bothered there now with the enormous number of visitors that come which we have to attend to. The messenger boys explain to the visitors the methods of the office. There have been so many visitors recently that I have been deprived of my own messenger.

Mr. GILLETT. These messenger boys perform that service?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. In fact, they are guides?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. They do not do the same character of messenger work that the other messengers do?

Mr. TREAT. No, sir.

Mr. BINGHAM. These boys are in fact guides?

Mr. TREAT. Yes, sir: up to 2 o'clock. They do not have to act as guides after that time, and we use them for other purposes.

Mr. BINGHAM. You now have four messenger boys at \$360?

Mr. TREAT. Yes, sir.

Mr. GILLETT. The boys would be glad to go there and serve as guides in order to get the tips?

Mr. MANSON. We do not tolerate that.

Mr. TREAT. We do not permit it, because they would not render good service. If some person did not give them a tip they would not be shown attention.

Mr. BINGHAM. If we should give you the four messenger boys at \$480 each, do you propose to promote the four you have now at \$360 each, and then take in four at \$360 each?

Mr. TREAT. Yes, sir.

CHARWOMEN—ADDITIONAL.

Mr. BINGHAM. You now have 11 charwomen and you are asking for 16. What is the necessity for the increase?

Mr. TREAT. In order to get rid of the dirt; it is so dirty down there. It is very much flooded with visitors.

Mr. BINGHAM. Do you think that you need 16 charwomen?

Mr. TREAT. Yes, sir.

SEPARATORS—ADDITIONAL.

Mr. BINGHAM. You have forty separators and you are asking for sixty?

Mr. TREAT. Yes, sir. Those are the people who separate the sheets.

Mr. GILLETT. They are part of the 67 details?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. Detailed from the Bureau of Engraving and Printing?

Mr. TREAT. Yes, sir.

FEEDERS—ADDITIONAL.

Mr. BINGHAM. You are asking for fifteen additional feeders, you have twenty and you are asking for thirty-five?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. Why do you want the additional feeders?

Mr. TREAT. They take the sheets of money and run them through the feeders.

Mr. BINGHAM. Just the same as they do at the Bureau of Engraving and Printing?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. They are a part of the transfer?

Mr. TREAT. Yes, sir.

MACHINIST—ADDITIONAL.

Mr. BINGHAM. You have one machinist at \$1,000, and you estimate for two at \$1,200 each?

Mr. TREAT. Yes, sir. That is absolutely necessary. We need them to keep the machines in repair.

Mr. BINGHAM. How many machines have you?

Mr. MANSON. Fifteen sealing machines and 23 separators.

Mr. BINGHAM. One man attends to them all now?

Mr. TREAT. We have one machinist, but we must have more, because if the machines remain idle we find delay in our daily output of 180 and we want to increase that to 200.

Mr. BINGHAM. You need more output than you have now?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. What percentage?

Mr. TREAT. Ten per cent.

Mr. BINGHAM. That is the cause for another man?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. Why do you increase the compensation?

Mr. TREAT. Because we find that we must have the best possible force there. I have discharged two or three men this year because of their inattention and because of their personal habits. That causes the machines to be in such shape that they will not work accurately and it destroys a lot of the paper money. Therefore, we must have the best class of men or they would be extraordinarily expensive.

Mr. GILLETT. This one man runs 15 machines now?

Mr. TREAT. No, Sir.

Mr. MANSON. They have pressmen.

Mr. TREAT. He keeps the machines in order, repairs them. We have increased our output from 120 bundles to 180 bundles, which is 50%.

Mr. GILLETT. How many machines have you added?

Mr. TREAT. Five machines.

Mr. GILLETT. You had 10 machines and now you have 15?

Mr. TREAT. Yes, sir.

Mr. GILLETT. He repairs the machines?

Mr. TREAT. Yes, sir; just keep them in order.

Mr. GILLETT. When does he do that work, after hours?

Mr. TREAT. All the time. The moment a machine breaks down he repairs it.

Mr. GILLETT. Then, a part of the time he is doing nothing?

Mr. MANSON. We have quite a number of accidents.

Mr. LIVINGSTON. You could not dispense with his services?

Mr. TREAT. No, sir; we could not do business.

Mr. MANSON. There are not only 15 of these machines, but there are 25 separators. They have to be attended to and kept in order.

Mr. TREAT. We are running a big machinery department down there.

NATIONAL CURRENCY REDEMPTION.

Mr. BINGHAM. Do I understand that the paragraph on page 101, redemption of national currency is a part of your submission?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. That is your submission?

Mr. TREAT. Yes, sir.

EXPERT COUNTERS—ADDITIONAL.

Mr. BINGHAM. You are asking for 15 expert counters at \$1,100 each?

Mr. GILLET. Are they a part of the detail?

Mr. TREAT. No, sir.

Mr. BINGHAM. Why do you need them?

Mr. TREAT. They are in lieu of others who have been dropped.

I have a letter from the superintendent which I will read:

In the estimates submitted for salaries for the fiscal year 1909 for the force employed in redeeming the national currency (to be reimbursed by the national banks), the grades of expert counters at \$700 and \$800 were omitted, and in lieu thereof an equal number of places were added to the grades at \$900, \$1,000, and \$1,100. The increase in the amount of the appropriation by the proposed change is \$7,900 or 6.39%, as compared with the appropriation of 1908, and an increase of \$67 in the average salary, from \$1,048 to \$1,115. No increase in the number of employees has been submitted although there is every indication that such an increase will soon become absolutely necessary. The increase requested in salaries is believed to be in the line of good administration and only a fair recompense for the services rendered. These employees count and sort national currency which has been returned to the Treasury for redemption or paid in on account of dues, after having been in circulation. They are responsible for the accuracy of their count and the genuineness of the notes they pass into the Treasury cash, and it is reasonable to say that the value of such services should not be rated below that paid messengers who receive \$720 and \$840.

Mr. GILLET. Why should they be paid more than you pay the other counters?

Mr. MANSON. This estimate was submitted on the basis of the Keep Commission, I think.

Mr. TREAT. They would not let us make up a report without putting it in.

Mr. BINGHAM. You have had 15 expert counters and you ask that they be increased to 21. These men have been doing this expert counting work at \$1,000. Then you suggest a new class of 15 expert counters at \$1,100 each. Why this increase?

Mr. TREAT. The increase comes first because we have difficulty in holding employees who are competent at the present rate of wages.

Mr. BINGHAM. How many have you lost in the past year?

Mr. TREAT. I do not know, quite a number.

Mr. MANSON. 29 resigned, and 23 were transferred.

Mr. BINGHAM. What were they, counters?

Mr. MANSON. Counters or clerks.

Mr. BINGHAM. That is fifty-two from your entire force?

Mr. MANSON. Yes, sir.

Mr. BINGHAM. Have any of the counters resigned?

Mr. TREAT. The good counters are much sought for by the banks.

Mr. BINGHAM. I understand that.

Mr. TREAT. We have resignations of very competent people that we would like to keep, but we can not.

Mr. BINGHAM. That is the number in your whole force?

Mr. TREAT. Yes, sir. The lower ones do not resign; it is the best ones we lose.

Mr. BINGHAM. You want 32 expert counters at \$900 each?

Mr. TREAT. Yes, sir.

Mr. MANSON. That increase dispenses with some of the lower grades.

Mr. LIVINGSTON. How many new counters have you asked for?

Mr. MANSON. No additional increase of force, it is all increase of salary.

Mr. BINGHAM. You increase your force by 15?

Mr. TREAT. We ask for them in place of the lower grades. We call them "expert counters" because we find it stimulates them to be known as "expert counters." They like the designation of "expert counter," and they will stay there.

CANCELING AND CUTTING MACHINES—REPAIRS TO.

Mr. BINGHAM. "For repairs to canceling and cutting machines in the Office of the Treasurer of the United States," you ask \$200. Do you need that amount?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. You need it all?

Mr. TREAT. Yes, sir; it is the same allowance that was made last year.

OFFICE OF REGISTER OF THE TREASURY.

STATEMENT OF MR. WILLIAM T. VERNON, REGISTER.

Mr. BINGHAM. You first ask for an increase of two chiefs of division now receiving \$2,000 to \$2,250 each?

Mr. VERNON. Yes, sir.

Mr. BINGHAM. What subordinate force has each one of those divisions, how many?

Mr. VERNON. They are pretty nearly equally divided. We have 68 people in the office.

Mr. BINGHAM. Why should they have this increase in salary?

Mr. VERNON. In the first place, in the case of the loan division, Mr. McGroarty, who has charge of that division, is a very efficient man. All the issues of bonds go out through his office.

Mr. BINGHAM. He does that now?

Mr. VERNON. Yes, sir.

Mr. BINGHAM. How long has he been there?

Mr. VERNON. I think he was appointed during President Cleveland's term; I am sure he was.

Mr. BINGHAM. He has been there a very long time?

Mr. VERNON. Yes, sir. He is a very efficient man. Sometimes we are kept there to 5, 6, 7 or 8 o'clock attending to the mail which

comes in from all over the country he must get out the bonds that day and he always stays there. His work is not only clerical but executive as well. I have it from those above me that he is one of the finest chiefs in the Department.

Mr. BINGHAM. They are both good men?

Mr. VERNON. Yes, sir. I think Mr. Ferree has been there some thirty or forty years.

VAULT CUSTODIAN.

Mr. BINGHAM. You are asking for one vault custodian at \$2,000?

Mr. VERNON. Yes, sir.

Mr. BINGHAM. What is he receiving now?

Mr. VERNON. \$1,800. He is a man who has been there about 40 years. In addition to doing high grade work he has charge of the vault and we have there at times bonds amounting to \$1,500,000,000. He has charge of all those matters and keeps a record, a ledger, in addition to his other work. I find by investigation that vault keepers in other divisions are paid a higher salary than he is. He is a very efficient man.

Mr. BINGHAM. Is that your dominating reason?

Mr. VERNON. No, sir.

Mr. GILLETT. What others are paid higher compensation?

Mr. VERNON. I am not prepared just now to state.

Mr. GILLETT. How did you find out?

Mr. VERNON. I had one of my clerks in getting up the recommendations to inquire.

Mr. BINGHAM. Your vault custodian is simply a transfer; in other words, you promote the \$1,800 clerk to \$2,000?

Mr. VERNON. Yes, sir.

Mr. BINGHAM. And then you reduce the number of your \$1,800 clerks?

Mr. VERNON. No; we drop a \$1,600 clerk and ask to have his salary increased to \$1,800.

EXPERT COUNTERS—ADDITIONAL.

Mr. BINGHAM. You are asking for 5 expert counters at \$900 each. Please give us the reason for that?

Mr. VERNON. We have a number of ladies there from the Bureau.

Mr. BINGHAM. They are transfers?

Mr. VERNON. They have been detailed and some have been appointed directly as clerks and put at this expert counting. The reason for asking for this increase is the increase in the volume of work.

Mr. BINGHAM. Clerks that you estimate for as clerks, some of them are today doing expert counting?

Mr. VERNON. Yes, sir.

Mr. BINGHAM. They are not doing clerical work other than that?

Mr. VERNON. No, sir.

Mr. BINGHAM. You retain them in clerical positions and use them as additional counters?

Mr. VERNON. For the reason that we are not otherwise able to do the work of the currency section. As to the work of the Currency Section we find that in 1897 they were counting 191,000 notes daily

and they are now counting 529,000 notes daily, an increase of 273%. We had in 1897 10 counters and we have now 22 counters. The average number of notes counted daily in 1897 was 24,000 and the average in 1907 was 31,000.

Mr. BINGHAM. You ask for nine expert counters. You insert the word "expert," why?

Mr. VERNON. I think I can explain that. When employees have counted for some time they become expert. When I first came here the people who were counting were in such a condition that they could not be promoted. They were only getting \$720 and they were called "counters." On looking over the civil service rules and regulations I found that the people in the Treasurer's Office and the Secretary's Office were not only getting \$900, but were eligible for promotion. So I dictated a letter to the Civil Service Commission and asked that the practice that obtained in the Office of the Treasurer should obtain in my office and requested that they be designated as "expert counters," and that they be paid \$900 a year.

Mr. BINGHAM. In other words, all counters should be designated as "expert?"

Mr. VERNON. Yes, sir.

Mr. GILLET. How long have you been in office?

Mr. VERNON. I came here June 12, 1906. I have been here about 19 months.

Mr. Vernon submitted the following memoranda:

Division of Loans.

I respectfully submit, in addition to the statement already made by me to the Committee, the following information as to my reasons for requesting increased salaries for certain of the employees of my office:

The Division of Loans is one of the most important divisions in the Treasury Department, handling as it does the entire bonded debt of the United States, District of Columbia, and (now) the Philippine Islands. All original issues of bonds, all transfers and redemptions, the preparation of the quarterly interest schedules for each loan, (a work in itself of great magnitude and one requiring extraordinary care and precaution), are made in this division, and here all records pertaining to the above work are kept.

The Chief of this division, for whom I have asked an increase in salary, has responsibilities greater than those of almost any other Chief in the Department, who is not directly attached to the Secretary's office, many of whom draw from \$2,500 to \$3,500 per annum; and yet he receives only the salary of a chief whose duties are perfunctory or merely supervisory in character.

Conditions have materially changed in this office since the present salary was fixed. The mere routine work of the Chief's desk has doubled since 1898,—I mean the physical labor, to say nothing of the increased responsibility.

This man has charge and is responsible for the issue, transfer and redemption of the bonded debt of the United States,—a responsibility that is freighted with great weight.

He is responsible for the expediency and promptness and carefulness of the clerical force under him, and there is not a more efficient force in the Department.

He deals directly and personally with the bankers, attorneys and individuals of the city, who transfer bonds, and all assignments made by these parties are made at his desk, he personally directing and preparing the bonds for the signature of the assignors. When, years ago, the salary for this division was fixed, his work was largely supervisory in character, and not of an executive nature. His responsibilities were limited; now new conditions exist, and he has always to be alert. He devises plans, and sees that they are carried out, and the clerical labor alone that he performs is worth more than the salary he now receives, to say nothing of the responsibilities he carries and the necessity for him to be always at hand to advise, direct and attend to the wants of the business public who are constantly visiting the office for the purpose of transferring bonds, or who are seeking information relative thereto.

The Philippine loans, now amounting to five, while issued by direction of the War Department, are looked after by the Chief of this division, and the actual work is done and all records are kept by the clerical force under him.

He has to see to it that the enormous volume of work of the division is kept absolutely up to date, (a matter of great importance to the business world), and under his direction this work has been brought to such a state of efficiency that it is absolutely current in character, there never being any "left overs" when the day's work is concluded. He has had no extra help of any character since 1898, but has handled all of the new loans since that date, as well as kept the current work moving, and at no time has the division been in any manner behind in its work. He conducts all of the correspondence of the office, so far as it relates to bonds. In view of the trying duties he performs, and in view of the fact that other chiefs with less responsibilities are better paid, I respectfully ask that the increase in salary asked for him be granted.

The custodian of the vault is a clerk who is probably as efficient as any clerk in the Department. I do not know of any more capable, reliable or painstaking. He performs, in addition to his duty as custodian, the work of an \$1,800 clerk. He acts as assistant chief during the absence of the chief, and has charge of all authorities and court papers relating to the transfer of United States bonds. These papers consist of orders of court, resolutions, etc., of corporations, probate certificates, and other papers of a legal character.

He is the only vault custodian in the building who does not receive extra compensation for this duty. He has in his custody, at times, as much as \$1,500,000,000, in bonds, a great proportion of them being in coupon form and payable to bearer. He is compelled to keep a set of vault books, (ledger, etc.), and must keep an account of all bonds received or put out. He charges the clerks each day with the bonds received for the day's work, and sees to it that no overdrafts are made. His work in connection with the vault carries with it a high degree of responsibility, and as the labor performed is in addition to the regular work of his desk, he is, in my opinion, fully entitled to the extra compensation asked.

The clerk of Class III, for whom an increase in salary is asked, is one of the most careful and painstaking clerks in the office. He is drawing \$1,600 a year, and is easily worth the \$1,800 asked for him. He has charge of and is responsible for the supplies of the

office; makes out and looks after all requisitions; communicates with the printer, and personally visits the office in connection with the work of preparing the quarterly interest schedules, and performs a great deal of work of a confidential and important nature. He is one of the best posted clerks in the Department. As the high grade places in this bureau are few, there is little chance for promotion of this clerk, unless he is granted the increase asked; and it would only be a simple act of justice to give him the compensation asked. Under the sweeping terms of the Dockery Act he was reduced from the \$1,800 grade, for no reason on earth other than it was a matter of expediency; and it would only be an act of common justice to restore him to that grade from which he was demoted. In the reorganization, under the Dockery Act, this clerk was placed in the Loan Division, and there being no \$1,800 vacancy there he was reduced to \$1,400, in order that the transfer could be made. He is worth more than \$1,800 to the office, and I cannot emphasize that fact too strongly.

Division of Notes, Coupons and Currency.

The present Chief of this Division, Mr. Newton Ferree was appointed to a clerkship of class 1 (\$1,200) in this office, December 20, 1867 and assigned to this Division where he has been employed continuously since that date.

His ability, industry, faithful and intelligent discharge of all official duties and general adaptation to the work in all lines of the business of the Division, won for him promotions until he reached the highest grade of clerkship Class 4, \$1,800, on July 1, 1880.

On the resignation of the Chief of this Division August 1, 1897, he was promoted to the responsible position of Chief. His administration of the affairs of the Division has been eminently satisfactory both to his superiors and subordinates, and the systems and methods adopted under his direction have placed the affairs of the Division on a high level to enable it to meet all the requirements of the public service.

He receives and receipts for all redeemed U. S. securities delivered, replies to all letters of inquiry in regard to coupon bonds, detached coupons, interest checks and other interest bearing securities; replies to all technical questions in regard to the public debt, arising in the course of business etc.; keeps the time of the clerks and reports daily absences to the Register, all in conjunction with the general supervision and direction of all the details of the whole work of the Division.

The responsibility of the Chief of this Division may be found in the fact, that the volume of work in some sections of the division is constantly increasing—the receipts of redeemed National currency has steadily increased from 52,894,507 notes received in fiscal year 1894-5 to 161,437,213 notes received in 1906-7. These figures point strongly to the fact that this unusual increase will continue for some years.

At present the daily average receipts amount to over 500,000 notes; this amount has to be examined and counted by the close of each day and to accomplish this labor, it requires the earnest and diligent work of the entire force of skilled counters.

The force of 9 counters now receiving but \$720, and recommended for promotion to \$900, are a part of this force and by their four or five years of continuous service have become expert counters. The daily average number of notes counted by each of them amounts to 31,000 notes, when the average count of 24,000 notes ten years ago was considered a good day's work.

The importance of the work of this division may be found in the fact, that during the last fiscal year there were received, recorded and filed, 1,022,623 redeemed securities, amounting to \$118,347,602.81, making a grand total of 126,855,731 securities amounting to \$8,504,597,289.75 on hand to date. These filed securities are accessible and any individual one can be produced in five minutes' notice.

The above does not include the redeemed currency which is received, examined, counted and destroyed each day, the annual destruction being over \$500,000,000.

OFFICE OF THE COMPTROLLER OF THE CURRENCY.

STATEMENT OF MR. E. E. SCHREINER, CHIEF, BUREAU OF REDEMPTION.

SECOND DEPUTY COMPTROLLER.

Mr. BINGHAM. On page 102 of the bill the Comptroller of the Currency asks for a Second Deputy Comptroller at \$3,000. That is new?

Mr. SCHREINER. Yes, sir.

Mr. BINGHAM. What is the necessity for that?

Mr. SCHREINER. We find that the labor of the Deputy is so great that he can not attend to all the business in the office and he has to take the work home at night and do it there, signing of the dividend checks.

Mr. BINGHAM. Is this recommended specifically in the report of the Comptroller?

Mr. SCHREINER. Yes, sir.

Mr. BINGHAM. Have you anything from the Secretary of the Treasury other than this estimate?

Mr. SCHREINER. No, sir.

Mr. BINGHAM. Why do you require this second deputy; have you not handled your work satisfactorily?

Mr. SCHREINER. Not altogether. We find it very laborious. The Comptroller is frequently called away and the Deputy would have come here today but it is utterly impossible for him to leave the office unless he neglects the business.

Mr. BINGHAM. That will be an independent appointment by the President, confirmed by the Senate?

Mr. SCHREINER. I think not. I think the appointment will be made by the Secretary of the Treasury.

Mr. GILLET. What is there that the second deputy could do that the present deputy can not do?

Mr. SCHREINER. The idea was to put him in charge of all the examiners' and receivers' letters which are received in the division which the Deputy now handles. He finds it almost impossible to give those letters the proper consideration due their importance.

Then, he would assist the Deputy in signing dividend checks, which is very laborious. In fact, he has to take the dividend checks out to his house and sign them there.

Mr. GILLETT. What dividend checks?

Mr. SCHREINER. Dividends for insolvent banks which are declared right along. As soon as they collect enough money they declare a dividend. These checks have to be signed by the Comptroller or the Deputy.

Mr. LIVINGSTON. Is the work in the office current?

Mr. SCHREINER. Yes, sir; it is pretty generally up to date with probably that exception.

Mr. GILLETT. Of course he can detail some employe to do everything except, I suppose, he could not sign the dividend checks?

Mr. SCHREINER. Everything else is done by the employes of the office, the comparison and everything of that kind. It is simply the signing. When you have four or five or six thousand of those checks to sign it is a good deal of work. For instance, there are a dozen banks that declare dividends and there are a great many creditors. Some checks are only for a dollar or ten cents, but they require the same amount of labor. They are distributed all over the country through the receivers or through the office. If there is no receiver, it goes through the office.

Mr. GILLETT. In times when there are not insolvent banks, you do not have that?

Mr. SCHREINER. It is rarely we do not have some. We are always collecting something and as soon as it amounts to enough to declare a dividend it is sent out.

Mr. BINGHAM. You will observe in your estimates on page 103 that you make an increase of \$5,000. That is almost wholly made up of two or three increases of salary?

Mr. SCHREINER. Does that include the Second Deputy?

Mr. BINGHAM. Yes, sir.

Mr. SCHREINER. Yes, sir.

Mr. BINGHAM. Mr. Ridgely, the Comptroller, says "the great increase in the amount of work to be performed and responsibilities of these officers, certainly justifies this increase." The increase is only in the compensation of these particular men, and yet the body of the work is done by the same force?

Mr. SCHREINER. Practically so.

Mr. BINGHAM. There is no seeming increase in the subordinate force. You have the same force?

Mr. SCHREINER. Exactly, but we have two chiefs of division in our office getting \$2,500. I happen to be one of them, and the other two are only getting \$2,200.

Mr. BINGHAM. Has the work increased in extent?

Mr. SCHREINER. Yes, sir.

Mr. BINGHAM. You are not asking for an increase of your subordinate force to any extent?

Mr. SCHREINER. Very little, I think we got that last year or the year before. So we have plenty of employees to do the work as far as the clerical force is concerned. We think that the responsibilities of the chiefs of these divisions warrant that they should have equal salaries.

CHIEFS OF DIVISION—INCREASE OF SALARY.

Mr. BINGHAM. The two chiefs of division you want to increase to \$2,500?

Mr. SCHREINER. Yes, sir.

Mr. BINGHAM. How has their work increased?

Mr. SCHREINER. By the amount of labor that is involved in the correspondence. For instance, you take the division of reports, the number of letters there is constantly increasing and the chief of division has to handle every one of those letters before they go to the Deputy or the Comptroller.

Mr. BINGHAM. Still he does it within the limitation of time?

Mr. SCHREINER. I do not know. They work there from 8.30 a. m. until 6 and 7 o'clock p. m., in order to get all the letters answered. We try to answer every letter every day.

Mr. BINGHAM. Is a record kept of overtime?

Mr. SCHREINER. Yes, sir.

Mr. BINGHAM. Is that done for ultimate claim?

Mr. SCHREINER. No, sir.

Mr. BINGHAM. What is the purpose of keeping the record.

Mr. SCHREINER. In order to show the overtime.

BOOKKEEPER—INCREASE OF SALARY.

Mr. BINGHAM. You ask \$2,500 for a bookkeeper, an increase of \$500. That is a pretty large increase?

Mr. SCHREINER. That gentleman has been occupying that position for thirty years.

Mr. BINGHAM. He started in at what compensation?

Mr. SCHREINER. At \$2,000, I think.

Mr. BINGHAM. Has he always received \$2,000?

Mr. SCHREINER. Yes, sir.

Mr. BINGHAM. There has never been any change in his compensation?

Mr. SCHREINER. No, sir. He came into the office at about \$1,600. I have been there forty years myself, the first of next month. I know nearly all these gentlemen.

Mr. BINGHAM. Who is the bookkeeper?

Mr. SCHREINER. Mr. Ebaugh.

ASSISTANT BOOKKEEPER—INCREASE OF SALARY.

Mr. BINGHAM. You increase the compensation of the assistant bookkeeper \$200 to be consistent with the other increase?

Mr. SCHREINER. Yes, sir.

COUNTERS—INCREASE OF SALARY.

Mr. BINGHAM. You have three counters at \$700 and you ask that they be given \$720 each?

Mr. SCHREINER. That is in order to make their salaries nearer equal to the others. Nearly all the counters get \$900.

Mr. BINGHAM. What is the character of the counting?

Mr. SCHREINER. Counting mutilated national bank notes. In the division of issue it is the new money that goes out in the place of the old.

Mr. BINGHAM. Who keeps the record of these counters?

Mr. SCHREINER. In my division I do. In the division of issue, Mr. Eldredge does.

Mr. BINGHAM. What is your position?

Mr. SCHREINER. I am the superintendent, I come in under the reimbursable roll.

NATIONAL CURRENCY—EXPENSES OF.

Mr. BINGHAM. On page 103 "expenses of the national currency" there is a change in the verbiage. Did you recommend that change in your office?

Mr. SCHREINER. I did not know the change was made.

Mr. BINGHAM. Have you had any trouble under existing verbiage?

Mr. SCHREINER. No, sir.

Mr. BINGHAM. None whatever?

Mr. SCHREINER. No, sir.

TELLER—INCREASE OF SALARY.

Mr. BINGHAM. You estimate for the teller at \$2,200, an increase of \$200 and you estimate for three counters at \$720 each?

Mr. SCHREINER. That is exactly the same as the other. These people are on what is called the reimbursable roll.

Mr. BINGHAM. Has the teller's work increased to any extent?

Mr. SCHREINER. Yes, sir. He is my assistant. He is the second officer, and when I am absent he takes charge of the office.

Mr. BINGHAM. You very modestly do not ask for an increase of your compensation?

Mr. SCHREINER. I got it last year; that is, this year.

EXAMINATION OF NATIONAL BANKS.

Mr. BINGHAM. Do you use all the money provided for expenses of examinations of national banks, in the middle of page 104?

Mr. SCHREINER. Yes, sir; we use all of it. We have used nearly \$4,000 up to this time.

Mr. BINGHAM. You have a detailed account of that in the annual report?

Mr. SCHREINER. Yes, sir.

Mr. BINGHAM. Is it generally expended?

Mr. SCHREINER. Yes, sir. About \$1,000 is expended for keeping the macerator in order where we grind the money up and the other is for the special examination of national banks. Very frequently right after a regular examination, which the bank pays for, some one wants a special examination of that bank and the Comptroller has to send a special examiner there and the money is all used in that way. He has to gather special statistics of banks other than national banks.

BANKS OTHER THAN NATIONAL—PROCURING INFORMATION.

Mr. BINGHAM. How do you expend the allowance for procuring information relative to banks other than national?

Mr. SCHREINER. By appointing some one to go and investigate.

Mr. BINGHAM. That is your individual selection?

Mr. SCHREINER. The Comptroller's.

Mr. BINGHAM. And confidential?

Mr. SCHREINER. I suppose so.

Mr. BINGHAM. How many people are thus designated?

Mr. SCHREINER. Not more than a dozen.

Mr. BINGHAM. Do you detail clerks from the Department?

Mr. SCHREINER. Yes, sir.

Mr. BINGHAM. Do you pay them extra?

Mr. SCHREINER. Yes, sir.

Mr. BINGHAM. Anything beyond their traveling expenses?

Mr. SCHREINER. No, sir.

Mr. BINGHAM. How many of those people do you have as a rule working at a time?

Mr. SCHREINER. It is only infrequently. I think this year there have been only two men sent out.

Mr. BINGHAM. What allowance is made for that purpose?

Mr. SCHREINER. It does not amount to more than \$50.

Mr. BINGHAM. The whole amount is expended?

Mr. SCHREINER. Yes, sir. This is for other than national banks. When the Comptroller wants a special examination he designates an examiner to go and make the examination of the bank. It takes from one to a dozen days.

Mr. BINGHAM. These are all banks other than national?

Mr. SCHREINER. Yes, sir. There is no examination except to get statistics from other than national banks.

Mr. GILLET. Does the Comptroller not appoint anybody but a regular examiner to examine a national bank?

Mr. SCHREINER. Not as a rule.

Mr. GILLET. Does he ever appoint any outside person?

Mr. SCHREINER. I do not think so; I think it is the bank examiner.

Mr. GILLET. For procuring information relating to banks does the Comptroller ever employ anybody outside the government service?

Mr. SCHREINER. No, sir; I do not think he does. Some of the states get up the information and furnish the Comptroller with it. A clerk in Kentucky, for instance, will get up the statistics from the private banks and we pay the expense, whatever it costs to do the work.

Mr. BINGHAM. Do you have any trouble in the Department or with the bank when you get the letter of authority to detail the inspector?

Mr. SCHREINER. None whatever.

Mr. BINGHAM. The authority is given by the Comptroller?

Mr. SCHREINER. Yes, sir.

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
Washington, January 16, 1908.

Mr. JAMES C. COURTS,

*Clerk, Committee on Appropriations,
House of Representatives, Washington, D. C.*

SIR: I return herewith the report of Mr. Schreiner's explanation of the estimates for the appropriations for the next fiscal year for this office.

The necessities for a Second Deputy Comptroller of the Currency are not very fully stated by Mr. Schreiner. It is physically impossible for one man to handle the volume of correspondence and other

work that now passes over the Deputy's desk in this office and to give the important matters the study that they should receive before being acted upon. The work is continually growing; each day a new bank is added to the number, which correspondingly increases the work of every Division in the office.

In addition to handling this large volume of mail, a considerable amount of time is taken up daily by conferences and interviews with bankers. Since I assumed the duties of Deputy Comptroller, over eight years ago, the correspondence and other duties pertaining to the desk have more than doubled. So much so that it has been necessary for some time for me to sign all dividend checks of insolvent national banks at my house at night and on Sundays. I have anywhere from 1,000 to 5,000 of these checks to sign for one bank. It has also been necessary for me to take home at night any important matter which requires a little time to digest, as it is impossible to devote the time to it in the office.

If a Second Deputy Comptroller is provided, the First Deputy can be relieved of a large amount of detail work, which he has to do now, and have more time to devote to more important matters.

Respectfully,

T. P. KANE, *Deputy Comptroller.*

INTERNAL REVENUE BUREAU.

STATEMENT OF MR. ROBERT WILLIAMS, JR., DEPUTY COMMISSIONER.

CHEMISTS.

Mr. BINGHAM. The appropriations for salaries this year for your Bureau are \$325,000 and you ask for next year \$328,000. You drop one clerk at \$1,200 and three at \$900 each and in lieu thereof you want "one first assistant chemist, \$1,800; one second assistant chemist, \$1,600; one third assistant, \$1,400; one fourth assistant chemist, \$1,200." First, why the change and second, why the increase of subordinate force, because I assume that you are taking the same clerks and making them into chemists?

Mr. WILLIAMS. No, sir. The Agricultural Department has taken our clerks and we have to supply others at higher salaries. We can not get the men.

Mr. BINGHAM. Do I understand that you absolutely drop the \$1,200 clerk and the three clerks at \$900 each?

Mr. WILLIAMS. Yes, sir. We drop them entirely because the men have been taken to the Agricultural Department. We have to get other men and probably we will have to increase the scale in order to get men competent to perform the duties.

Mr. BINGHAM. This is an entirely new body of chemists?

Mr. WILLIAMS. Yes, sir; practically so.

Mr. GILLET. How did the Agricultural Department get them, by detail?

Mr. WILLIAMS. By transfer. They offered them more salary.

Mr. GILLET. Why did you let them go?

Mr. WILLIAMS. We could not stop it.

Mr. BINGHAM. Were these clerks doing the chemical work satisfactorily?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. But they are not with you now?

Mr. WILLIAMS. No, sir; they have been taken from us by the Agricultural Department. They resigned because they could get more compensation somewhere else.

Mr. BINGHAM. They have gone.

Mr. WILLIAMS. Yes, sir. Now we are providing for that number of men. We have some men there but we want to provide salaries by which we can hold them.

Mr. BINGHAM. Why give them the increases of salary?

Mr. WILLIAMS. Because they will not stay.

Mr. BINGHAM. For the same line of work which you indicate here you greatly increase the compensation of that force?

Mr. WILLIAMS. For the simple reason that the Agricultural Department is paying more and just as soon as they get a little bit of information about chemistry and what is necessary, they resign and go to the other Department because they can get more money.

Mr. BINGHAM. Your protest has no influence?

Mr. WILLIAMS. None whatever.

MESSENGERS—ADDITIONAL.

Mr. BINGHAM. You want four messengers?

Mr. WILLIAMS. Yes, sir; we want to promote the messengers to the Deputy Commissioners.

COLLECTING INTERNAL REVENUE.

(See also page 176.)

Mr. BINGHAM. As to the new language on page 123 of the bill concerning payment of witnesses in internal revenue cases the note is what you would state, I suppose?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. To what extent has that gone, have you any figures on that subject?

Mr. WILLIAMS. No, sir.

Mr. BINGHAM. Is an account kept in the Department?

Mr. WILLIAMS. We can not approximate that.

Mr. BINGHAM. For instance, a clerk in your department is subpoenaed and he obeys the process. Who pays his traveling expenses?

Mr. WILLIAMS. In that case the Department would do it, the Internal Revenue Bureau.

Mr. BINGHAM. Would pay his expenses?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. How much a day?

Mr. WILLIAMS. I do not know, whatever may be the fee in that court.

Mr. BINGHAM. Does his pay run on?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. He is paid his regular salary?

Mr. WILLIAMS. Yes, sir; so far as I know. I do not see how you could prevent him from drawing his regular pay as a clerk if he is

subpœnaed. That relates, if you will pardon me, more particularly to deputy collectors of internal revenue and officers who are assigned to the supervision of internal revenue agents in their divisions who are subpœnaed to court. The marshal holds in many cases when the officer goes to court that he is simply following up a case he has made himself, and they make the Internal Revenue Bureau pay that expense although the officer is under subpœna, whereas heretofore they have allowed the witness fee and expenses. Now they are insisting that we shall pay that out of the appropriation which is made for our Bureau.

Mr. BINGHAM. Have you any figures on that?

Mr. WILLIAMS. No, sir.

Mr. BINGHAM. Has the Bureau any figures?

Mr. WILLIAMS. We can not approximate it because we do not know how much it is in our department. We could only know by gathering the facts from the courts as to what the fees would be.

Mr. BINGHAM. The clerk's compensation runs along just as if he were present in the Bureau?

Mr. WILLIAMS. Yes, sir; and the deputy collector's compensation runs on; it is an annual compensation. He is subpœnaed to court, and the marshal says to the officer: "You are simply following up your own case and therefore your expenses in coming here should be charged up against the Internal Revenue Bureau." Heretofore that has not been the case.

Mr. LIVINGSTON. In other words, when you have a litigation they make you pay for the witnesses?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. It can not be very much or you would have an exhibit?

Mr. WILLIAMS. There has never been a case before. Now, while in this estimate we are simply approximating that we will require so much more, we are guessing at that. We have nothing to make an approximation on. We simply ask for what we think will be a sufficient amount to prevent the overdrawing of the appropriation.

STOREKEEPERS AND GAUGERS.

Mr. BINGHAM. I notice on page 123 of the bill under the paragraph "for salaries and expenses of 40 revenue agents provided for by law, storekeepers and gaugers" etc. you had a deficiency in 1907 of \$60,000. Do you estimate the same character of deficiency for the next fiscal year?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. How was that deficiency made up?

Mr. WILLIAMS. The deficiency was made up in this way: It is caused by the fact that a greater number of officers were employed than we supposed at the time would be necessary, that is, more storekeepers' gaugers. This includes revenue agents, storekeepers and storekeepers gaugers. The increase in the business of distilling is very large, there being a difference of \$12,000,000 in taxes collected.

Mr. BINGHAM. Then, you go upon the assumption that your internal revenue work will bring to the government a continuance of the increase that you claim exists today?

Mr. WILLIAMS. Not always.

Mr. GILLETT. Business has fallen off tremendously during the last two months?

Mr. WILLIAMS. Undoubtedly. Up to two months ago we had gained \$6,000,000 over the previous year, and we gained \$12,000,000 last year. Now, we have dropped back.

Mr. GILLETT. Then, can not your expenses drop back?

Mr. WILLIAMS. No, sir. The officers are there. They are producing, but not paying taxes. The important part of that matter is the increase in the number of revenue agents. We kept that down because we were trying to keep within the appropriation. We thought we could do it, but we can not. Instead of appointing 40 revenue agents as the vacancies occurred we left them unfilled and we were down to 30 agents. Now we have 39.

Mr. BINGHAM. \$2,310,000 is the current law and you ask for \$2,500,000, an increase of \$190,000?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. With no change in the matter of salaries and expenses of the forty revenue agents, fees and expenses of gaugers, etc.—you do not change your force at all, why do you need the \$190,000 additional?

Mr. WILLIAMS. We start off with a deficiency.

Mr. BINGHAM. You make the increase in the body of the bill, you do not change the salaries and expenses of the forty agents at all?

Mr. WILLIAMS. Of course the amount that is appropriated there is not sufficient. Therefore we asked for \$60,000 to make up the deficiency. Add that to it and then you have the difference in the increase, because the amount you have stated there is what was required, which was \$60,000 or approximately so. So, we are asking for \$150,000 more than that.

Mr. LIVINGSTON. Are you proposing here to take up the deficiency made last year and getting an appropriation large enough this year so as to prevent a deficiency?

Mr. WILLIAMS. Yes, sir; that is the idea.

Mr. BINGHAM. You ask for two deficiencies, one of \$60,000 and the other of \$150,000. Is that correct for the two years?

Mr. WILLIAMS. We ask for enough to prevent us from violating the statute.

Mr. BINGHAM. Have you not asked for two deficiencies, one for \$60,000 and one for \$150,000?

Mr. WILLIAMS. No, sir.

Mr. BINGHAM. What have you in the deficiency bill?

Mr. WILLIAMS. \$60,000, I believe.

Mr. BINGHAM. No more?

Mr. WILLIAMS. I think not.

Mr. BINGHAM. You will have to explain to the subcommittee on deficiencies, when they take your testimony, how you have expended that money?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. Now, you come to us and state that you are asking for deficiencies of so much, \$150,000 and \$60,000. Therefore you have asked an increase for the next fiscal year, with the knowledge of those deficiencies. You have given us no information, anything in detail, as to why you want the \$190,000. Please give us some information in detail as to how you propose to expend that \$190,000.

Mr. WILLIAMS. For next year?

Mr. BINGHAM. Yes, sir. You must have an exhibit?

Mr. WILLIAMS. Yes, sir; I have an explanation. You can not tell what it will be the next year; it may be less.

Mr. BINGHAM. But you have estimated for it. If it is less you will not spend it?

Mr. WILLIAMS. Precisely.

Mr. LIVINGSTON. It is purely a guess.

Mr. BINGHAM. You say you will need \$150,000 in deficiency this year?

Mr. WILLIAMS. You mean the last year?

Mr. BINGHAM. No; \$60,000 last year and \$150,000 the current year, to carry you through this year?

Mr. WILLIAMS. That is because of the increase, the ten revenue agents.

Mr. BINGHAM. Can you give us some detail of what that increase is?

Mr. WILLIAMS. It would be hard to say what is going to happen; I can not tell you.

Mr. BINGHAM. But you are assuming that you will expend \$150,000 next year plus \$40,000 more?

Mr. WILLIAMS. I do not understand it that way.

Mr. LIVINGSTON. You have a deficiency of \$150,000 coming before us to-morrow on the deficiency bill for 1908 and now you come and ask for \$190,000, \$40,000 more. Why do you want the additional \$40,000? That is what the chairman is trying to get at.

Mr. WILLIAMS. I think I can probably explain that. Here (exhibiting paper) is an explanation.

Mr. BINGHAM. Is this the statement you are going to put before the subcommittee on deficiencies?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. That is exactly what we have printed in the note before us. But that is not in detail. What your explanation will be before the subcommittee on deficiencies we do not know, we are not on the deficiency bill. That explanation you will have to make to them in order to get the allowance of the deficiencies that you ask for, \$60,000 for 1907 and \$150,000 for 1908. That will be your explanation to them. Now, you are coming to the next fiscal year, after the first of next July, and here in your estimates under the same head you ask for \$190,000 more.

Mr. WILLIAMS. We are asking for \$150,000 more than the appropriation for the present year.

Mr. BINGHAM. And \$40,000 more?

Mr. WILLIAMS. I do not see it that way.

Mr. BINGHAM. Your appropriation for 1908 was \$2,310,000 and your estimate for 1909 is \$2,500,000. That is \$190,000 more than the current year. We have nothing to do with your deficiencies for the current year. We are hearing you on the estimates for the next fiscal year. We would like to have some detail?

Mr. WILLIAMS. That is the amount we estimate will be required for the next fiscal year. This appropriation is not like any other appropriation, the employees are constantly changing.

Mr. GILLET. Why do you say \$40,000, why do you say \$190,000?

Mr. WILLIAMS. We necessarily would have to say something.

Mr. GILLETT. Is that your only reason?

Mr. WILLIAMS. The reason is that the appropriations have been running short every year. We have been asking for deficiencies which we do not want to do again.

Mr. GILLETT. So you are making the estimate large enough so that there will not be any deficiency?

Mr. WILLIAMS. Yes, sir.

Mr. GILLETT. You say you have been increasing expenses because business has been increasing. Now, business is falling off tremendously and why should not the expenses fall off?

Mr. WILLIAMS. That question contemplates a great deal. For instance, there is a distillery where there is one storekeeper. One day or one month they run at a capacity of 500 bushels and the next month they run at a capacity of 100 bushels, but you have exactly the same expense.

Mr. GILLETT. Why do you increase the expenses when the business is falling off? You say that year after year you increase expenses because business has been increasing?

Mr. WILLIAMS. I did not say that. That is one of the reasons why the expenses have increased. One of the reasons for increasing the expenses is the amount of labor to be performed, but it does not always follow.

Mr. BINGHAM. Is there any exhibit in your report that gives the detail of what you claim will be the deficiency for last year?

Mr. WILLIAMS. I can give you the exact figures.

Mr. BINGHAM. In detail in your report?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. You must have information as to why you asked for the deficiency of \$150,000?

Mr. WILLIAMS. That is something that could be ascertained, only the expenditures vary from month to month and from day to day, and we can not tell exactly.

Mr. BINGHAM. Then, we will assume that you ask for \$150,000 for the next year, which your deficiency has called for for the current year, and we will assume that it is to be continued just as it has for the next year, but under that you ask for \$40,000 more next year. Why?

Mr. WILLIAMS. Well, I do not understand the matter as you state it, General. We estimate from what has been the expenditures of the Bureau that it will require \$150,000 more than the previous estimates.

Mr. BINGHAM. That is the current law that you are operating under, that is what Congress has given you?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. Now, you are coming to Congress and asking for \$190,000?

Mr. WILLIAMS. With that we want to make up the deficiency of last year, \$60,000.

Mr. BINGHAM. I am talking about the current year.

I will ask the Commissioner to give us a written statement of the expenditures this year in detail, that is, \$150,000 more than the current law. That you must have because you must make your report next year wherein that is all included. Give us that in detail as you will have to give it to the subcommittee on deficiencies and then give us an explanation of the \$40,000 more for which you estimate.

Mr. GILLETT. In other words, give us a detailed statement of the estimate of \$190,000 for the next fiscal year.

Mr. WILLIAMS. Yes, sir.

MISCELLANEOUS EXPENSES.

Mr. BINGHAM. "For rent of offices outside of the District of Columbia, telephone service, and other miscellaneous expenses incident to the collection of internal revenue," current law is \$85,000?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. And now you ask for \$120,000, \$35,000 additional?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. Why do you ask for \$35,000 additional as against the \$85,000 allowed?

Mr. WILLIAMS. That is precisely the matter we were talking about a while ago, the expenses of officers attending court where the U. S. Marshal refuses to pay the witness fees and the expenses.

Mr. BINGHAM. That does not come in this item. This item is for "telephone service and other miscellaneous expenses incident to the collection of internal revenue and for the purchase of necessary books of reference and periodicals for the chemical laboratory and law library, at a cost not to exceed \$500," but your estimate for 1909 is \$120,000, while you were allowed this year \$85,000. This year you have asked for \$35,000 more and we want to know the details?

Mr. WILLIAMS. I think the note explains that.

Mr. LIVINGSTON. You want \$15,000 incident to increasing business and you want \$20,000 to correct an evil that now obtains in paying out money?

Mr. WILLIAMS. That is for increase in the business of the Bureau and the \$20,000 is this other matter I spoke of.

Mr. GILLETT. You do not know that the business is going to increase?

Mr. WILLIAMS. We do not know. You have placed a penalty upon us for creating a deficiency and we can only settle that as you determine anything.

Mr. BINGHAM. But you have asked for the deficiency in another paragraph of the bill. You can not expend the \$120,000 except under the particular paragraph I have read?

Mr. WILLIAMS. Precisely.

Mr. BINGHAM. Under current law you are allowed \$85,000?

Mr. WILLIAMS. Yes, sir.

Mr. BINGHAM. And this year you ask for an increase as against \$85,000 of \$35,000. That is a fearful percentage. It can not be in telephoning, it can not be for the purchase of necessary books and periodicals for the chemical laboratory and law library. It must be for other miscellaneous expenses incident to the collection of internal revenue?

Mr. WILLIAMS. I think \$15,000 is estimated to be the increase in the expenses because of the increase in the business of the country.

Mr. BINGHAM. The note says: "An amendment to the internal revenue laws will be recommended in an estimate for a deficiency appropriation which will provide that all collections be deposited without deduction for any purpose, for reasons to be fully stated

on the estimate sheet. The law at present authorizes the payment of certain expenses for moneys collected. It is estimated that \$20,000 will be required for this object." What object; a change in the law?

Mr. WILLIAMS. A change in the law, if it is changed. If the law is changed so as to require that the internal revenue bureau shall pay the expenses of witnesses attending court why, then, it will be required.

Mr. BINGHAM. If the law is changed after we pass this bill, that is a basis for your coming in with a deficiency.

Mr. BURLESON. The increase of \$20,000 is dependent upon embodying the proviso on page 123. If the proviso is not embodied then the appropriation will not be necessary.

LIFE-SAVING SERVICE.

STATEMENT OF MR. S. I. KIMBALL, GENERAL SUPERINTENDENT.

CLERICAL FORCE, INCREASE OF.

Mr. BINGHAM. You recommend an increase in the clerical force of your service?

Mr. KIMBALL. Yes, sir.

Mr. BINGHAM. Why?

Mr. KIMBALL. On account of the increase of the work.

Mr. BINGHAM. What increase of clerks do you estimate for?

Mr. KIMBALL. Three.

Mr. BINGHAM. In your increase of the force do you propose to advance the clerks now in your service?

Mr. KIMBALL. Yes, sir; as far as possible. There will be no one in the office to advance to the \$900 position. A \$1,600 clerk, who is now chief of a division in my office, would be advanced to the \$1800 place.

Mr. BINGHAM. The note sets forth in full the increase in your work?

Mr. KIMBALL. Yes, sir.

Mr. GILLET. Why do you need another messenger?

Mr. KIMBALL. Our office is situated in the Star building. We have a great deal of passing back and forth between this building and the Treasury building, and have to go to the City Post Office for a portion of our mail. A large proportion of our files is contained in a building in another direction.

Mr. GILLET. Where?

Mr. KIMBALL. On E street between 9th and 10th streets.

Mr. BINGHAM. Separated locally from the Department?

Mr. KIMBALL. Yes, sir; and that increases the work a great deal. I think we are entitled to a messenger. The place can be filled by the promotion of an assistant messenger from \$720 to \$840.

Mr. BINGHAM. You propose then to advance one of the assistant messengers and get another assistant messenger?

Mr. KIMBALL. Yes, sir.

Mr. LIVINGSTON. You want to keep the two assistant messengers you have?

Mr. KIMBALL. Yes, sir.

Mr. LIVINGSTON. I thought you wanted to promote one of the assistant messengers?

Mr. KIMBALL. I do. We need three persons to perform this work. This would give us a messenger and two assistants.

WORK—CONDITION OF.

Mr. BINGHAM. Are you up with your work?

Mr. KIMBALL. No, sir; we are not, and we can not get it up with the force we have.

Mr. BINGHAM. Are you receiving the allowance you asked for last year?

Mr. KIMBALL. Yes, sir; but we have had a great deal of help from other offices.

Mr. GILLETT. What do you mean, details?

Mr. KIMBALL. Yes, sir; we have had to borrow people. We have urgent work on hand which must be postponed because of insufficient force. For instance, the Chairman of the Committee on Interstate and Foreign Commerce requested me, six months ago or more, to send him a compilation of the laws relating to the Life-Saving Service, but I have been unable to prepare it yet, although such a compilation is needed for the use of my office, and by the service at large. The regulations for the government of the service ought to be revised. The last revision was made nine years ago, and since that time new methods and improved apparatus have been introduced, and many changes, especially regarding the conduct of the fiscal affairs of the service, have been made. These matters have necessitated the promulgation of numerous circulars, inconsistent with the provisions contained in the present volume of regulations, and these inconsistencies lead to errors and confusion which increase the current work. I have been endeavoring to prepare a revision of the regulations during the last three years, and the work is still far from completion for want of clerical assistance. Other important work is held in abeyance for the same cause.

I would like to ask your attention especially to the second paragraph of the note printed on page 46 of the book of estimates for 1909, which states that "There has been an increase of 3 *clerks* in this office during a period of twenty-two years * * *." The fact is there has been an increase of but two clerks, one of the persons referred to being an assistant messenger.

BUREAU OF ENGRAVING AND PRINTING.

STATEMENT OF MR. THOMAS J. SULLIVAN, DIRECTOR.

Mr. BINGHAM. On page 108 of the bill before you I notice that the compensation of the Director of the Bureau is increased from \$4,500 to \$5,500.

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. That of course comes with the approval of the Secretary of the Treasury?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. You are asking for \$3,500 for the assistant director. Why that large increase?

Mr. SULLIVAN. It is only an increase of \$500. The labor of that position has grown immensely. I filled the position for a number of years and know just what the labor of it is.

Mr. BINGHAM. What is the sum total of the appropriations for the work of your Bureau, how many million dollars?

Mr. SULLIVAN. For the last year the total amount available for the bureau was a little over \$4,000,000.

Mr. BINGHAM. That includes this with what you get from the sundry civil bill?

Mr. SULLIVAN. Yes, sir; and what we get for repayment for work we do for other bureaus.

Mr. BINGHAM. In other words, the entire expense of your bureau is over \$4,000,000?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. And in this bill you ask for \$209,000?

Mr. SULLIVAN. Yes, sir.

INCREASE OF WORK.

Mr. BINGHAM. In what respect has your work increased?

Mr. SULLIVAN. In the amount of notes and certificates that the Treasurer of the United States requires, the amount of postage stamps required by the Postoffice Department, and internal revenue stamps required by the Commissioner of Internal Revenue. One noticeable item is that the Treasurer of the United States requests 60,000,000 sheets of notes and certificates for the next year. The last year he asked for between fifty-one and fifty-two million. This year it has gone to 60,000,000 sheets.

PRINTING OF POSTAGE STAMPS.

Mr. BINGHAM. You print the postage stamps?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. You print them under contract?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. What did you receive from the Postoffice Department for the stamps this year?

Mr. SULLIVAN. We received last year from the Postoffice Department \$465,000 in round figures.

Mr. BINGHAM. That is what you got from the Postoffice appropriation?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. Do you get any income from the internal revenue stamps?

Mr. SULLIVAN. We get nothing from Internal Revenue stamps. We get some minor returns from the government of the Philippine Islands for printing their postage stamps and silver certificates.

Mr. BINGHAM. How much do you get?

Mr. SULLIVAN. Last year we got about \$45,000 in round figures.

Mr. BINGHAM. That is the only revenue you have?

Mr. SULLIVAN. Yes, sir. The total repayments from all sources were \$523,335.54.

Mr. GILLET. That goes into the Treasury, I suppose?

Mr. SULLIVAN. Yes, sir.

Mr. GILLET. You can not use it again?

Mr. SULLIVAN. Yes, sir.

Mr. GILLETT. You can use it as a lump sum?

Mr. SULLIVAN. Yes, sir. It goes to the credit of the appropriations for the compensation of employees and for plate printing.

Mr. GILLETT. So you have a fund out of which you can employ employees at any rate you desire?

Mr. SULLIVAN. Yes, sir.

Mr. GILLETT. A fund of \$500,000?

Mr. SULLIVAN. Yes, sir.

Mr. GILLETT. And that is in addition to what Congress appropriates?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. Have you any discretionary fund?

Mr. SULLIVAN. No, sir.

Mr. BINGHAM. That revenue is turned wholly and absolutely into the Treasury?

Mr. SULLIVAN. Yes, sir; but it is available for use again.

Mr. GILLETT. Mr. Sullivan says that he can use it?

Mr. SULLIVAN. Yes, sir; we use it.

Mr. BINGHAM. You use the revenue?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. To what extent have you used it in the last fiscal year?

Mr. SULLIVAN. To the extent of very nearly the total amount, \$523,000.

Mr. BINGHAM. Then the expenditures of the Bureau of Engraving and Printing amount to your appropriations plus your income?

Mr. SULLIVAN. Plus the repayments.

Mr. GILLETT. Plus the receipts?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. How much do you expend?

Mr. SULLIVAN. Very nearly all of it.

Mr. BINGHAM. Then you have that much more money than your appropriation?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. Do you think that the work of the assistant director has so increased as to justify an increase of \$500 in his compensation? What did you receive when you were the assistant?

Mr. SULLIVAN. I only got \$3,000. The work is worth at least \$4,500.

Mr. BINGHAM. How long has he been there?

Mr. SULLIVAN. Since the first of July, 1906, but he was connected with the Bureau before that.

Mr. BINGHAM. He has been your assistant for two years?

Mr. SULLIVAN. For a year and a half.

Mr. BURLESON. What did he get before he was made the assistant?

Mr. SULLIVAN. \$3,000. He is well worth more than \$3,500.

CLERICAL FORCE.

Mr. BINGHAM. You have three clerks of class 3 and you ask for seven clerks?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. You have a discretionary expenditure in connection with the income?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. Under that discretion can you employ clerks?

Mr. SULLIVAN. No, sir.

Mr. BINGHAM. You are limited to this appropriation?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. What is the necessity for the increase?

Mr. SULLIVAN. In order to increase the number of competent men there.

Mr. BINGHAM. And you decrease one clerk below?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. Wherein does this make any change, from "clerk in charge of purchases and supplies" to "chief of division of contracts and supplies?"

Mr. SULLIVAN. As long as he is designated "in charge of purchases and supplies" he is subordinate to another man.

Mr. BINGHAM. Does he not get \$2,000?

Mr. SULLIVAN. Yes, sir. By making him chief of a division we can hold him more directly responsible for the results. That is what we want to do.

Mr. BINGHAM. It is the same man?

Mr. SULLIVAN. Yes, sir; he has been in the Bureau some years.

Mr. BINGHAM. You reduce 10 clerks at \$900 each to 8 clerks at \$900 each?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. You increase 11 clerks at \$780 each to 16 clerks at \$780 each?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. On the claim of the general increase of work?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. You ask for one additional helper, one additional laborer and then 9 additional laborers. That is for the same reason?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. You think your work has so increased as to justify these additions?

Mr. SULLIVAN. I know it has. I have gone over the matter very thoroughly and in order to get the work done properly the force is necessary.

DETAILS TO TREASURER'S OFFICE.

Mr. GILLETT. They told us that you had some 67 men, I think, on detail to the Treasurer.

Mr. SULLIVAN. Yes, sir.

Mr. GILLETT. How do you supply their places?

Mr. SULLIVAN. By drawing on the Civil Service Commission and by promotion.

Mr. GILLETT. By drawing on outside parties?

Mr. SULLIVAN. Yes, sir.

Mr. GILLETT. So that it really takes so many employees away from you?

Mr. SULLIVAN. Yes, sir.

Mr. GILLETT. And it diminishes very much your force?

Mr. SULLIVAN. It does not diminish our force, because the moment they take a person on detail we fill the place.

Mr. GILLETT. How do you get the money?

Mr. SULLIVAN. Out of the compensation for employees.

Mr. GILLETT. The compensation that we give you for employees covers the 67 on detail?

Mr. SULLIVAN. No, not out of this appropriation, but out of the sundry civil appropriation; out of the lump sum appropriation made in the sundry civil bill.

Mr. GILLETT. They give you another lump sum appropriation?

Mr. SULLIVAN. Yes, sir.

Mr. GILLETT. They do not go into detail about the clerks?

Mr. SULLIVAN. No, sir.

Mr. GILLETT. How do you do about salaries, do you have a regular schedule?

Mr. SULLIVAN. Yes, sir.

Mr. GILLETT. Does it conform with this schedule?

Mr. SULLIVAN. No; they are entirely independent.

Mr. GILLETT. Then you can arrange it just as you please?

Mr. SULLIVAN. The Secretary of the Treasury makes the schedule once a year and fixes the number of employees and the salaries of the employees who will be paid out of the lump sum appropriation, and where they take a employee on detail that leaves a vacancy in the schedule which we fill by promotion.

Mr. GILLETT. Do they get more money at the Treasury than you pay them?

Mr. SULLIVAN. No, sir; sometimes they get less. It depends on the character of the work which they do there.

Mr. BINGHAM. Following the line of Mr. Gillett's examination, the Treasurer stated to us this morning that there was a detail of 67 counters from your Department and that they were paid by your department while they were doing work in his office.

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. If you look at page 109, in the center of the page, it says: "and no other fund appropriated by this or any other Act shall be used for services in the Bureau of Engraving and Printing of the character specified in this paragraph."

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. That would only refer to clerks?

Mr. SULLIVAN. That is all.

Mr. BINGHAM. When we put that language in this bill we wanted to reach the very thing that is still going on, the transfer of a part of your subordinate force, under the order of the Secretary, to any bureau they may see proper in the Department?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. And you continue to pay them while they are serving in the Treasurer's Office or wherever the Secretary directs?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. In other words, instead of coming to Congress so Congress may know exactly what is expended in each department of this government, we find in a great bureau like yours this lump sum appropriated for work there used by order of the Secretary of the Treasury elsewhere so we lose all record of the expenditures of your bureau.

Mr. SULLIVAN. No, sir; I give it all in my report.

Mr. GILLETT. How do you interpret this law?

Mr. SULLIVAN. To apply only to employees in the administrative office of the bureau.

Mr. GILLETT. Do you not have any other clerks?

Mr. SULLIVAN. No, sir.

Mr. GILLETT. You have helpers, what is a helper?

Mr. SULLIVAN. A man who does miscellaneous work around the office.

Mr. GILLETT. He is not a clerk?

Mr. SULLIVAN. No, sir.

Mr. GILLETT. You have other helpers?

Mr. SULLIVAN. Yes, sir.

Mr. GILLETT. Do you employ them out of the general fund?

Mr. SULLIVAN. We do.

Mr. GILLETT. Does not this provision prohibit that?

Mr. SULLIVAN. No, sir; it is not so held.

Mr. GILLETT. Why?

Mr. SULLIVAN. The reason for that interpretation was that these helpers are paid out of the lump sum, but called skilled helpers. This only refers to helpers.

Mr. LIVINGSTON. This paragraph that the Chairman has just read refers to what is just before and getting over here it says that no money shall be used by this man to increase their salaries or to increase the clerks provided in the law. That is all it is.

Mr. GILLETT. For services of the character specified.

Mr. BINGHAM. That was not the intent of the act.

Mr. SULLIVAN. You see, Congress gave us a lump sum in addition to this, in order to execute the work of the Bureau.

Mr. GILLETT. What do you think that was meant for—that clause?

Mr. SULLIVAN. That was meant for the class of work that is done in and around the administrative offices of the Bureau, and not in the processes of manufacture, which are covered by compensation of employees.

Mr. GILLETT. Did you think the distinction between “helper” and “skilled helper” was of that character?

Mr. SULLIVAN. We had to do that in order to do the work.

Mr. GILLETT. Was it not necessary to do that in order to fit the law?

Mr. SULLIVAN. I do not know about that.

Mr. BINGHAM. How do you call them when they are not doing counting or doing any work pertaining to the Bureau of Engraving and Printing?

Mr. SULLIVAN. That is a matter which is not for me to determine. That is for the Secretary of the Treasury to determine, and when he determines that that can be done and I receive orders to do it, I am bound to obey.

Mr. BINGHAM. We understand that; but it is a question in the expenditure of the money that we fail to get any exhibit of. For instance, when the Treasurer of the United States comes up and asks for an increase of force, we find that he has 67 employees detailed from elsewhere.

Mr. SULLIVAN. I have always made that perfectly clear in the annual reports of the Bureau.

Mr. LIVINGSTON. The whole thing hinges on two words of that paragraph—of the “character specified.”

Mr. GILLETT. Is not that the practice of employing all this other force? Do you suppose it was intended to apply just to administration?

Mr. SULLIVAN. Yes, I understood that.

Mr. GILLETT. Were you up here last year?

Mr. SULLIVAN. Yes, sir; but this question was not discussed last year.

Mr. BURLESON. It was year before last.

Mr. SULLIVAN. Yes; it was year before last. The request was made for employees of this character who were employed in and about the administrative offices of the Bureau. That information was given to the Committee, and they put these items in the Legislative act—items that were formerly carried in the Sundry Civil Act. When we came to carry out this law, if the rigid interpretation of this word "helper" here had been adhered to, the Bureau would have had to stop its operations.

Mr. BURLESON. Who construed its meaning away? What particular officer?

Mr. SULLIVAN. The Assistant Secretary of the Treasury in charge of the Bureau, Mr. Keep.

Mr. BINGHAM. Can you give us the number of details from your Bureau of Engraving and Printing? Perhaps you have it in a report or exhibit somewhere—the number of details to other Departments of the Government whose compensation you pay?

Mr. SULLIVAN. The total amount paid in the last fiscal year was \$24,446.65 on account of such details.

Mr. BINGHAM. How many subordinates does that mean?

Mr. SULLIVAN. That included about 60 employees detailed to other departments of the service.

Mr. BINGHAM. The Treasurer says he has 67 detailed from your Bureau.

Mr. SULLIVAN. In addition to that there are a number of details that I have not got here, because this is an estimate for 1909, and when the additional employees were detailed to the Treasurer, in order to get out the amount of work he had to get out during that panic, it was understood that he would make application to Congress for an appropriation for them, and I would only have to carry the number that had been carried for a number of years on detail and for which estimates were submitted from year to year to the Committee on Appropriations.

Mr. BINGHAM. By the respective bureaus?

Mr. SULLIVAN. No, by me; by the Bureau of Engraving and Printing. This, you see, only covers about the same amount as was in last year's bill. I made it in round figures, \$25,000. There was actually expended last year \$24,446.65. I took only this regular detail from year to year, for which I had submitted estimates covering about that amount.

Mr. BINGHAM. Do you detail to any Department other than the Treasury?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. That is done under the Secretary's order?

Mr. SULLIVAN. No; I was in error. It is all in the Treasury Department.

Mr. BURLESON. They are paid out of this lump sum for the Bureau?

Mr. SULLIVAN. Yes.

Mr. LIVINGSTON. Suppose we change that language and make it read something like this: "No other fund appropriated by this or any other act shall be used for services of any kind in the Bureau of Engraving and Printing." Suppose that were changed to that form instead of the way it is. What would you have to do?

Mr. SULLIVAN. I would have to stop.

Mr. LIVINGSTON. Would you not have to come in here and ask for help?

Mr. SULLIVAN. Yes. We would have to come here. What we would have to do would be to submit a specific list of all the people who are employed in the processes of the Bureau and who are now paid out of this lump sum.

Mr. LIVINGSTON. That would stop the lump sum?

Mr. SULLIVAN. Yes. In other words, the Sundry Civil bill would have to be itemized.

Mr. GILLETT. Just like the Legislative bill?

Mr. SULLIVAN. Yes.

Mr. LIVINGSTON. You contend that that was not the purpose of this committee?

Mr. SULLIVAN. Yes. I say that was not the purpose of the committee, because the inquiry made of me at the time this list was submitted was for the employees of the Bureau of Engraving and Printing who are employed in the administrative office of the Bureau, and the list I gave did not include anybody engaged in the manufacturing processes in the several divisions, the wetting division, the printing division, the stamping division, &c.

Mr. BINGHAM. Then, this paragraph in the bill is correct as you construe it?

Mr. SULLIVAN. Yes, as I construe it. It is ambiguous, however, as Mr. Gillett might construe it differently.

Mr. GILLETT. Are these 67 men detailed to the Treasury employed in work of such a character as this?

Mr. SULLIVAN. No; they are of a character that approximates to the manufacturing element.

Mr. GILLETT. They are counters. Would you call them more manufacturing than administrative?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. Of this character of detail to the Treasurer 67 were taken?

Mr. SULLIVAN. Yes, sir.

Mr. BINGHAM. How many others have you employed in your Bureau performing similar work?

Mr. SULLIVAN. I have about 3,800 employees now, and out of that force I suppose 1,800 or 1,900 are women. All of these are approximately of the same kind. A thousand are in the Bureau who are engaged in approximately the same class of work as those in the Treasurer's office.

Mr. BINGHAM. And these are women who are detailed to the Treasurer?

Mr. SULLIVAN. Yes; counters and operators and feeders, of that class.

Mr. LIVINGSTON. You do not include in your details clerks or persons in clerical work, but helpers and counters?

Mr. SULLIVAN. Yes; helpers and counters.

Mr. BINGHAM. Have you anything to submit?

Mr. SULLIVAN. I would like to submit a request for increase in the compensation of the accountant to three thousand dollars.

Mr. BINGHAM. The Secretary has not recommended it. It is not in his Book of Estimates.

Mr. SULLIVAN. That is so. I would also request an increase for the disbursing agent; an increase from \$2,400 to \$3,000.

Mr. LIVINGSTON. You will have to get supplemental estimates and send them through the Secretary.

Mr. BINGHAM. Is your disbursing agent an eighteen hundred dollar clerk?

Mr. SULLIVAN. No, sir; he is at \$2,400, according to this item.

Mr. BINGHAM. What did you ask there?

Mr. SULLIVAN. I would like him to have three thousand dollars. He disburses nearly four million dollars, and he is certainly worth the money.

Mr. BINGHAM. A large amount of that is in supplies, is it not?

Mr. SULLIVAN. Yes, sir. His salary is now \$2,400. I would like to have him made \$3,000.

Mr. BINGHAM. The difficulty is, that it is not recommended by the Secretary.

Mr. SULLIVAN. I see; but I feel that it is incumbent on me to make the request, because I feel that those gentlemen are really worth the money.

Mr. LIVINGSTON. Why didn't you submit it to the Secretary?

Mr. SULLIVAN. I did submit it to Mr. Edwards, the Assistant Secretary, but he decided he would not do it.

SECRET SERVICE DIVISION.

STATEMENT OF MR. JOHN C. WILKIE, CHIEF.

Mr. BINGHAM. Mr. Wilkie, what have you to recommend as to your division?

Mr. WILKIE. I drop out a \$900 clerk.

Mr. GILLET. That is a novelty.

Mr. WILKIE. I get tired of the procession in my office.

Mr. GILLET. Where is your office?

Mr. WILKIE. In the Treasury Department, a division of the Secretary's office.

Mr. LIVINGSTON. Why do you drop this clerk at \$900?

Mr. WILKIE. For two reasons. The first is that I can not keep a clerk at \$900. I hate to get in strange people and have them acquaint themselves with the routine of the office and then have them moved out to a thousand-dollar position. I shall only have to have the work distributed. I do not want to ask for an increase. I have clerks enough to do the work, except in emergencies, and then we can stay a little late. I would sooner do that than have a lot of people come in in a procession through my office.

Mr. GILLET. I do not think there will be any criticism of you for dropping that.

OFFICE OF PUBLIC HEALTH AND MARINE-HOSPITAL SERVICE.

STATEMENT OF DR. WALTER WYMAN, SURGEON-GENERAL.

Mr. BINGHAM. I see, Doctor, you ask for your chief clerk an increase of \$500. Give us the reason for that.

Dr. WYMAN. The reason for that is that he has been connected with our Bureau since 1879, and his position is worth \$2,500. On account of the increase in the cost of living I think the chief clerk of that Bureau should have that much, in order to make him feel comfortable and in order to make the service run perfectly in the Bureau. The \$2,000 he now receives is below the price now generally paid for chief clerks of bureaus in the Treasury Department. There is only one other besides our own, I understand, who receives less than \$2,500. Twenty-five hundred dollars is less than the average salary, and our Bureau is of sufficient importance to warrant the payment of the average amount.

Mr. BINGHAM. What is the number of your subordinate force?

Dr. WYMAN. We have 22 clerks. Then there are six assistant surgeon-generals. But you must understand this is more than a mere bureau. We have a great service, a public health Service of thirteen or fourteen hundred employees.

Mr. BINGHAM. Do they in anywise come under your chief clerk?

Dr. WYMAN. Yes, sir. The Bureau work manages all this. He has a great deal to do with the correspondence and papers with the outside service. It is not simply looking after the 22 clerks in the bureau.

Mr. BINGHAM. What is your sum total of appropriations annually for your entire service?

Dr. WYMAN. It is pretty hard to give a definite answer to that. We have appropriations for special objects, quarantine stations and epidemic funds. We expend somewhat less than two million dollars a year. We have available a little more than two million dollars a year, but we do not spend that much.

Mr. BINGHAM. That comes in the Sundry Civil bill?

Dr. WYMAN. Yes, sir.

Mr. BINGHAM. Outside of this bill and the Sundry Civil bill, do you have other appropriations?

Dr. WYMAN. We have an epidemic appropriation. That is in the Sundry Civil bill. That is an exigency appropriation. That is under the President.

Mr. GILLET. Are there not some tonnage dues, or something like that?

Dr. WYMAN. No. That is done away with. We have specific appropriations for every part of our service.

Mr. BINGHAM. The Sundry Civil bill goes into detail, and does not give you a lump sum?

Dr. WYMAN. Yes; so much for the running of each particular establishment and branch.

Mr. BINGHAM. Then the only outside allowances other than those in the Sundry Civil bill are the epidemic fund and discretionary allowances?

Dr. WYMAN. There is another fund of five hundred thousand dollars which went into the National Quarantine Act which was passed

in 1906. We have to spend that in erecting quarantine stations in the South, or purchasing Southern quarantines. That has not been expended, but it is available.

Mr. GILLETT. Have you not expended any of it?

Dr. WYMAN. Some of it.

Mr. GILLETT. How much of it?

Dr. WYMAN. About \$115,000, I suppose. We have laid out an expenditure of \$100,000 for the Galveston quarantine, and we have bought the quarantine station of New Orleans. We have not paid for it because of necessary preliminary settlements, but we have paid for the Mobile quarantine and expended money on the Charleston, S. C., quarantine.

Now, Mr. Chairman, allow me to explain that there are only three or four things that I would like to have done. We have been running on quite a while without making any special plea of poverty or anything else, and I think the opportunity might be taken to render us a little easier in our Bureau. Our clerks do a great deal of work and difficult work. That increase of \$500 for the chief clerk only brings it up to what other chief clerks have. I have asked for one principal clerk in lieu of a law clerk dropped.

Mr. BINGHAM. That is a promotion?

Dr. WYMAN. Yes, sir. I am very anxious that he shall have it, for otherwise he will be called for in some other department. He is a valuable man, and I want to keep him. He is known, and will be called on if I do not get this for him. That is not a bluff on his part. Then there are three clerks of class three, one additional in lieu of one clerk of class two dropped, to raise a man there from \$1,400 to \$1,600. He is a very capable financial clerk. Then there is one from \$900 to \$1,200. Please note I have not asked for any increase in the number of clerks.

Mr. BINGHAM. You drop one clerk of class 2?

Dr. WYMAN. Yes. Then there is a clerk from \$900 to \$1,200. The \$900 clerk is generally a stenographer and typewriter. I can not keep them. They just come to us a little while, and then get a \$1,200 job somewhere else within the Department. One of them ought to be made \$1,200, so that I can get a stenographer and typewriter that I can keep.

Mr. GILLETT. How much do you pay now—\$900?

Dr. WYMAN. Yes. Then there are the laborers. It is difficult to hold good laborers now. They are frequently transferred to better-paid positions in other branches of the Department. We have not got the statutory wages attached to our laborers. The statutory salary for skilled laborers in the Department is \$660 per annum. Ours receive only \$540.

Mr. GILLETT. What do you use skilled laborers for?

Dr. WYMAN. For cleaning up. They have also got occasionally to run a mimeograph and to act as messengers. They are skilled in a certain degree. They have to be pretty intelligent men.

THURSDAY, *January 23, 1908.*

TREASURY DEPARTMENT.

STATEMENT OF HON. GEORGE B. CORTELYOU, SECRETARY OF THE TREASURY, ACCOMPANIED BY MESSRS. J. H. EDWARDS AND BEEKMAN WINTHROP, ASSISTANT SECRETARIES.

OFFICE OF THE SECRETARY.

ASSISTANT SECRETARIES.

Mr. BINGHAM. First come your Assistant Secretaries. You ask that they be increased to \$6,000?

Secretary CORTELYOU. Yes, sir.

Mr. BINGHAM. Is there any special reason for that, beyond the general statement that responsible, able men are required, perhaps of long experience, perhaps of marked ability, and that the compensation of \$6,000 would be but reasonable?

Secretary CORTELYOU. That is true; and in addition to that, I think possibly we have in the Treasury Department a somewhat different situation from at least some of the other Departments in this, that the several heads of the larger Treasury bureaus now receive from \$5,500 to \$6,000.

Mr. BINGHAM. What bureaus?

Secretary CORTELYOU. The Treasurer of the United States receives \$6,000.

Mr. BINGHAM. He gives bond?

Secretary CORTELYOU. Yes; and the Comptroller of the Currency receives \$5,000 salary and \$1,000 for his management of the Freedmen's Savings Bank. That is \$6,000. The Commissioner of Internal Revenue receives \$6,000. And so there are several bureaus there, where the salaries are materially larger than those of the Assistant Secretaries, who have supervision over the work of those bureaus.

Mr. BINGHAM. I know your general statement is correct to the very letter; but as to the Commissioner of Internal Revenue, your Treasurer, and the Comptroller of the Currency, do they not ramify through their lines of work throughout the whole country?

Secretary CORTELYOU. They do.

Mr. BINGHAM. In independent lines of subordinate places; the assistant treasurer at Philadelphia, and the assistant treasurers at Boston and Baltimore; and the same way with the Commissioner of Internal Revenue. Your Assistant Secretaries, however, are confined to the Department in Washington.

Secretary CORTELYOU. Yes, but they have a supervision ramifying all over the country, and that is a supervision which under proper administration should be quite intimate.

Mr. BINGHAM. You have the administration officially?

Secretary CORTELYOU. Yes. It is only removed in a higher degree from the direct supervision of the service. Take, for example, a bureau like that of one of the Assistant Secretaries, with a number of important divisions in it. The Assistant Secretary should be quite intimately acquainted with what is going on; and in that view it seems to me there should not be this discrepancy in salary.

Mr. BINGHAM. We could not consistently take up those positions for increase without also taking into account the Assistant Secretaries of other Departments.

Secretary CORTELYOU. The same increases, I believe, have been recommended for Assistant Secretaries of other Departments.

Mr. BRICK. If they have not been, they will be. Do you have trouble in holding them or in filling the positions at the price with competent men?

Secretary CORTELYOU. We can get a great many competent men; but a man who is in the place, if he has been competent, acquires an amount of information and facility of handling business and acquaintance with the people and knowledge of the working of the bureau that take a new man a long time to acquire. It embarrasses the head of a Department to have this shifting going on. A man may stay for one or two years, and then a new man comes in. It does not make for good administration.

INCREASES ASKED FOR THROUGHOUT THE DEPARTMENT.

Now, informally, Mr. Chairman, I would like to make one remark. See if this would be of any service to you. I want to be of any service I can. For my own information since the late Fall I have gone over as carefully as I can these various estimates, and naturally during the time I have been in the Department I have been familiarizing myself as much as possible with the details.

Mr. BINGHAM. Then, Mr. Secretary, you have approved your recommendations in the Book of Estimates, predicated on the detailed information you have received from the chiefs of bureaus and divisions, and so forth?

Secretary CORTELYOU. Yes, sir.

Mr. BINGHAM. Now, to my mind, speaking simply as one of the Committee, the increase of force asked for is predicated upon your increase of work, is it?

Secretary CORTELYOU. Yes, sir.

Mr. BINGHAM. That is the one proposition that you feel you are clear upon?

Secretary CORTELYOU. Yes, sir.

Mr. BINGHAM. The increases of compensation which are most marked, not only in your Department but also in the other Departments embraced within the executive branch of the Government, are perfectly astonishing. We have got to meet them by some given or fixed rule in this Committee. We can not stand on this bill, in taking this to the House with these increases running through the Departments. There may be, perhaps, some instances where the increases should be granted, but those few we can not reach save by a distinct examination as to the peculiar and immediate necessity of those changes.

Now, Mr. Secretary, you can take your estimates and divide them into three divisions. First, you think the essentials may be as to your increased force; second, in giving the increase of force, a qualified promotion to men deserving above the class that they have been held in; and then, third, comes a distinctive line in your recommendations of continuance in existing places with marked increases of pay. Now you state that your increase of force is radically, at the base,

important, because of a claim of increase of work. As a general proposition, although perhaps with a few exceptions, this Committee might be tempted with respect to an increase of force to give you that which would mean an increase of lift. You see, Mr. Secretary, I am eliminating in my inquiries these independent increases of compensation, and am recognizing that you think the increased force is necessary. The increase of force gives you an opportunity to lift your existing force to a higher grade, which means an increase of pay. I would like to know if that would not generally cover your wants?

Secretary CORTELYOU. Mr. Chairman, these estimates represent the net result of conferences that I have had with bureau chiefs and division chiefs, and I ought to say that when the estimates were called for, the bureau chiefs and division chiefs were advised that they must ask for only what was actually needed and what they could show they actually needed when the Committee inquired as to the recommendations. After conferences with most of them, which resulted in cutting out many recommendations, we come up to you with the net result and submit to you what we think we need.

Mr. BINGHAM. You cut the original submissions to you by your chiefs of bureaus and divisions?

Secretary CORTELYOU. Yes, sir. For instance, I would say to a head of a bureau, "What do you contemplate asking for?" He would say this or that or the other. I would then inquire as to the needs of the service in that particular bureau, and as a result of our talk we would finally throw out one recommendation or another; and this is the net result of such conferences on the needs of the different branches of the Department.

Mr. BINGHAM. But in these increases proposed by the chiefs you must understand that they have no knowledge of the sum total, and have no knowledge of the amount of the expected revenues.

Secretary CORTELYOU. That is true. That fell to the Assistant Secretaries and the head of the Department finally, and it resulted in matters being sent back repeatedly in order that we might come to a general recommendation that we felt would be in the interest of good administration of the Department.

Mr. BINGHAM. Have you any other paragraph or section in your Book of Estimates for your Department that you want to call our attention to?

Secretary CORTELYOU. Yes, sir; I have several; particularly the divisions which have to do with the financial matters of the Department. I made some statements the other day before the Subcommittee on the Deficiency bill, which I think have been printed, relating to the Division of Bookkeeping and Warrants, the Division of Public Moneys, the Division of Loans and Currency, the office of the Treasurer of the United States, the office of the Comptroller of the Currency, and the Bureau of Engraving and Printing.

Mr. LIVINGSTON. Mr. Secretary, pardon me just there. What is your recommendation about getting out the money over at the Bureau of Engraving and Printing? Have you recommended a raise from fifty to sixty?

Secretary CORTELYOU. My recommendation is a general one, that would mean an increase of force, because of the increase of work that has occurred in the year and that is ahead of us.

Mr. GILLET. You will leave us all those statements you have there to be printed, will you not?

Secretary CORTELYOU. Yes. These [indicating memoranda] are explanations of the estimates in very concrete form, and it seems to me it would be helpful to you gentlemen and helpful to me, and these explanations contain in the main what I would say in answer to questions. It seems to me it would save you your time and my time if these statements were left here for the information of your committee. They are in the order in which these things appear in the Book of Estimates, and are in lieu of my going over them in detail. This is practically what I would say.

Mr. BINGHAM. We will regard each one of these items as explanations at the end of each item?

BUREAU OF ENGRAVING AND PRINTING.

Secretary CORTELYOU. Yes. Now as to Mr. Livingston's question, the chief of the Bureau of Engraving and Printing has submitted a request for an increase of twenty, less a reduction of force of three, which would make a net increase of force submitted of seventeen. He explains that as being due to the increased amount of work to be executed in the next year, and he gives the figures showing the estimated increase of work in the coming year. In the increase of salaries submitted, he has not gone into the matter you refer to. You mean the increase in the salaries of the helpers?

Mr. LIVINGSTON. What he calls the "helpers."

Mr. EDWARDS. Printers' assistants.

CHANGE IN METHOD OF BOOKKEEPING.

Mr. BINGHAM. Have you got, Mr. Secretary, in any one of those memoranda that you submit a brief and clear exposition of your new bookkeeping system, covering the old conditions and the new conditions, and the benefits of the new conditions? Have you got it in as brief a form as possible?

Secretary CORTELYOU. We would submit, in answer to an inquiry of that kind, the recommendation of the Keep Commission as to putting it in; and as to the results and any statement showing how the new system works, we are waiting over until we have had a little more experience with it than we have had so far.

Mr. BINGHAM. Have you got the new system in operation throughout your Department?

Secretary CORTELYOU. It is put in operation; yes, sir.

Mr. BINGHAM. You call it now in effect?

Secretary CORTELYOU. Yes, and the two systems in the Bookkeeping and Warrant Division are working side by side, because we cannot take out the one until the other is thoroughly established. That is not a bad thing to do, because we can make a comparison. I am told that the results are already very satisfactory, and we are going to be able to get results in much shorter time and in much more satisfactory shape.

Mr. BINGHAM. Is it assumed that the new system is along the line of economy, or along the line of a more easy ascertainment of the condition of affairs?

Secretary CORTELYOU. Both; and in that I suppose we would have the experience of large business concerns, who would certainly be actuated by both considerations. They would have the most economical system that would give them the best results.

Mr. BINGHAM. Did the old system work unsatisfactorily?

Secretary CORTELYOU. No; I can not say that, but I might qualify that by saying that it was unsatisfactory in the sense that we would like results quicker than we could get them under the old system, and further than that, it did not admit of the ascertainment of a great many details that now appear naturally in the operation of the new system.

Mr. BINGHAM. You think the new system is better for the prevention of defalcations?

Secretary CORTELYOU. I should say that certainly it is, because of the checks and supplemental and complemental entries of current subjects—

Mr. BINGHAM. Such as might prevent defalcations that occurred under the old system?

Secretary CORTELYOU. It will make possible the detection of irregularities.

NEW AUDIT SYSTEM.

Mr. BINGHAM. One other question. We had before us the Auditors and so forth of your Department. There seemed to be no unity of conclusion as to the new system. There was a very great difference in conclusions as to the subordinate force, whether the existing force would suffice under the new system, which was ample under the old. One statement was made that there would be an increase required of 25% in labor in connection with its administration. Of course we want to see, if we are to increase the subordinate force, which means an increased expenditure, that there ought to be somewhere a compensating advantage in economy; in other words, the old system should not be changed unless we get some benefits in some way. It is convenient. I can understand that, and as you claim, I can see that it may prevent possible crime.

Secretary CORTELYOU. Of course, Mr. Chairman, I feel I should be giving an unsatisfactory administration of the Treasury Department if I did not take into account ultimately the matter of such economy as would be consistent with good business methods; and while certain of these increases of compensation and changes we are making or suggesting may temporarily result in an increase, we believe that they will show a decided saving in the results secured to the Government.

Mr. GILLET. You think that is true of the Keep Commission—I mean this report in this particular instance as to the method of paying by checks?

Secretary CORTELYOU. In this case I feel that we are going to get good results. I can not go into details as to that, because I have got to wait for experience. They have turned in such a voluminous lot of stuff that you can not even go over it; but in the main I believe they have been working on the right lines.

Mr. GILLET. Don't you think, Mr. Secretary, that this year, with the present falling off of business that is apparent, will not the force that you calculated for when the estimates were submitted be more

than sufficient? Will not the dropping off of business outside cause a dropping off of business in your Department?

Secretary CORTELYOU. There might be something in that, but in bureaus and divisions having to do with financial matters it probably will not be the case. Take, for example, the one item of Public Moneys Division. There is a larger amount of business in that division than we have ever had before; bringing it in and shifting it about, and making the necessary adjustments make a great amount of increased work in that division of the Department. It means increased correspondence and entries of all kinds, and that condition continues. I am particularly anxious about the bureaus having to do immediately with financial matters.

Mr. GILLET. What are those?

Secretary CORTELYOU. They are among those I have named, like the Treasurer's office, the Comptroller of the Currency's office, the Bookkeeping and Warrant's Division, the Division of Public Moneys, the Division of Loans and Currency, and the Bureau of Engraving and Printing; those having to do particularly with the financial operations. Then you come to others, like the Life-Saving Service, where anything that we can do in that service is in the interest of the public and in the interest of good administration; and the same is true with the Revenue-Cutter Service. There our most earnest desire has been in a direction that does not come before you gentlemen—that is, in the personnel bill for the Revenue-Cutter Service. That would result in an improvement of the efficiency of that service, in my judgment. Then there is another feature of the Life-Saving Service that I refer to in my report in general terms, but it would not come before you because it is not embodied in the form of an estimate for salaries. That is for a scheme of retirement. I merely touch upon those matters because they are of great importance to the Department, although they do not come up here.

Mr. BRICK. Have you any idea, Mr. Secretary, how much increased force in the general total amount there is that you ask for in your plan? Have you figured that out? I suppose we could do it, but if it could be put into the record by you we would be glad.

Secretary CORTELYOU. You have that in the estimates at the end of the book.

Mr. BRICK. I asked it chiefly to get it in the record. Congress will not know it in here.

AMOUNT OF ESTIMATED REVENUES.

Mr. BINGHAM. Mr. Secretary, I see on page 80 of the book before you, the draft of the bill, this paragraph [reads]:

The Secretary of the Treasury shall each year prepare and submit in his annual report to Congress estimates of the public revenue and the public expenditures for the fiscal year current, and also for the fiscal year next ensuing at the time said report is submitted, together with a statement of the receipts and expenditures of the Government for the preceding completed fiscal year.

Mr. LIVINGSTON. That is marked to go out.

Mr. BINGHAM. I understand that; but I want to ask, Have you made that submission in accordance with the law?

Secretary CORTELYOU. Yes.

Mr. BINGHAM. Have you had any indication, possibly with the information even to-day, that your estimated revenue would be less?

I mean, supposing you were to make up that same estimate to-day, with all your knowledge of the present before you, would the amount of estimated revenue be less?

Secretary CORTELYOU. I stated in a sub-note in my annual report that I submitted those estimates in pursuance of law, but that I regretted that I had to do so because I believed them to be almost entirely problematical, largely guesswork. I have made inquiries along the line of your question, and as yet I am not prepared to give any definite information; and I know, in talking with the chief of one of the divisions in the Department a few days ago, that he felt that the expenditures would not increase materially in proportion for the balance of the year, and that as usual, toward the end of the fiscal year, there would be shown a certain increase in receipts. I think in my report I gave the figures of 42 million dollars surplus. Those figures, if submitted to-day, would probably be materially modified. I can not say to what extent, and if modified they would still be largely a matter of guesswork. As to our receipts, I found out recently that the actual imports have not materially fallen off, but we have not received our receipts because the business community has been putting these things in bond. I suppose that there is now in bonded warehouses goods on which the duties to be paid are from ten to twelve millions of dollars more than at the same date a year ago, and during the height of the financial trouble the people who have dealings with the Internal Revenue Bureau could not obtain currency—under the law these payments must be made in currency—and we failed to get revenue in that way; and we allowed banks to accumulate the surplus. It would be very difficult to make a statement that I would endorse at this time. It would be too much a matter of guesswork.

Mr. BINGHAM. Then, Mr. Secretary, let me ask you this: What date did you figure upon as to your anticipated revenue? Not the 24th of January, but what date? Was it the last day of June?

Secretary CORTELYOU. Yes, sir. The estimates on those particular figures were made only two or three days before I submitted the report to Congress. They were made at the very last minute. They were the last figures I looked at.

Mr. BINGHAM. In other words, just a few days before you submitted your report to Congress, you predicated your estimate upon that date?

The following documents were submitted by Secretary Cortelyou:

DIVISION OF BOOKKEEPING AND WARRANTS.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, January 22, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: Replying to your letter of the 21st instant requesting a statement of the reasons for the increase of force and increase of salaries estimated for the Division of Bookkeeping and Warrants for the fiscal year 1909, I have the honor to report as follows:

Increase of Force.

- 1 Bookkeeper at \$2,000.
- 1 Clerk of Class 4.
- 1 Clerk of Class 3.
- 2 Clerks of Class 2.

This additional force is necessary to transact the work of the Division, which is very heavy, and is constantly growing because the increase of business in this and other Departments and offices, in matters involving the revenue, appropriation, and expend-

iture accounts, is reflected to a great extent here, while the changes in the methods of accounting and bookkeeping have also largely increased the work.

So very considerable was the increase resulting from the growth of business that it became necessary on July 1st last to divide the work of keeping a number of the important books of records, and further similar divisions must be made.

Increase of salaries.

Assistant Chief of Division from \$2,700 to \$3,000.

The duties of this position are intricate and exacting, involving consideration of many details of work in a constantly increasing volume of business upon matters relating to the revenues, appropriations, and expenditures, and upon claims, and findings and judgments of the courts.

Estimate and Digest Clerk from \$2,500 to \$2,700.

This clerk has had long experience and training in the work relating to the estimates and appropriations, which is growing in volume yearly. He compiles the Annual Book of Estimates, the Deficiency and Claims Estimates, and the Digest of Appropriations made annually by Congress, and has besides many details of work relating to these and other Division matters.

Four Supervising Bookkeepers at \$2,250 each, in lieu of 2 bookkeepers at \$2,100 each, and 2 at \$2,000 each.

With the increase of work resulting from the growth of business and the changes in methods of accounting and bookkeeping there is pressing need for additional executive and supervisory work in the office. With provision made for the supervising bookkeepers, and for the additional force requested, the Division will be strengthened in its important work and put in position to meet the needs of prevailing conditions.

Respectfully,

CHAS. H. MILLER,

Acting Chief of Division of Bookkeeping and Warrants.

DIVISION OF CUSTOMS.

TREASURY DEPARTMENT,

OFFICE OF THE SECRETARY,

Washington, January 22, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: In accordance with instructions dated the 21st instant, I have the honor to state that the increase of force and salaries estimated for the Division of Customs for the fiscal year 1909, and the reasons therefor, are as follows:

For the assistant chief of division \$500 additional per annum is submitted, for the reason that the character of the work performed by him is believed to justify that increase.

One executive clerk at \$2,250 per annum, required by the great increase of work.

Two additional mail and record clerks, classes two and three, required by increase of work and different methods of mailing and keeping records.

Five additional clerks of class one, in lieu of four clerks, at \$1,000 each per annum, and one at \$900 per annum, for the reason that the character and amount of work performed by these clerks are believed to warrant the increase and that it is impossible to obtain at the lower salaries such clerks as the nature of the work of this division requires.

Total increase in force, 3. Total increase in salaries, \$6,850.

Respectfully,

JAMES L. GERRY,

Chief, Division of Customs.

DIVISION OF APPOINTMENTS.

TREASURY DEPARTMENT,

OFFICE OF THE SECRETARY,

Washington, January 22, 1908.

The honorable, ASSISTANT SECRETARY.

SIR: In reply to your letter of the 21st instant, asking certain information regarding my recommendations for increase in certain salaries in this Division for the year 1909, I have the honor to say:

In the estimates of the Division of Appointments the following increases of salary were recommended:

Assistant Chief of the Division, from \$2,000 to \$2,500;

The Executive Clerk, from \$2,000 to \$2,250;

The Law and Bond Clerk, from \$2,000 to \$2,250.

These increases were recommended, first, because since the present salaries were established the duties of the Division have been largely increased, especially those assigned to the Executive Clerk and the Law and Bond Clerk, and the Assistant shares with the Chief the duties of the whole Division; and second, because the cost of living in the last few years has increased to such an extent that the proposed salaries will purchase less than the present salaries would when they were established.

A brief summary of the duties of this Division and of the persons whose salaries are recommended to be increased should satisfy any one of the reasonableness of the recommendation.

1. All of the official business, appointment, dismissal, promotion, demotion, discipline, leave of absence, etc., of the whole Treasury service in Washington and throughout the country, numbering about 24,000 persons.

2. Under the supervision of an Assistant Secretary the expenditure of the appropriation for the collection of the revenue from customs, amounting to about \$10,000,000 per annum.

3. The bonding of all officials in the Treasury service required to give bond and all disbursing officers whose bonds are filed in the Treasury Department and to whom public money is advanced and the approval of all requisitions for the advance of funds to such officers; the investigation every two years as to the sufficiency and solvency of the surety on such bonds and the renewal of the bonds every four years.

Making contracts for and preparation and execution of leases for buildings and quarters for use of the Customs Service throughout the country, where such quarters are not located in buildings owned by the Government.

4. The preparation of nominations and commissions of all Presidential officers in the Treasury service.

5. The examination and audit of all financial statements of surety companies doing business with the Department, either as sureties on bond or contract.

6. The examination, verification and approval for payment of all pay rolls and pay vouchers.

7. Reports, etc., to Congress.

8. The preparation of all correspondence, the custody and filing of all papers, the devising and execution of necessary card index systems, and all other details involved in conduct of the business above outlined.

The Assistant Chief of the Division of Appointments, under the direction of the Chief, has a general oversight of the work of the division and in the absence of the Chief is the Acting Chief. He has had long and valuable experience in the service.

To the Executive Clerk, with three assistants, is assigned the custody of all official matter pertaining to the entire personnel of the Treasury Department in Washington, now numbering over 6,000; the preparation of all papers relating to the appointment, promotion, reduction, detail, removal, etc., and the time record of said personnel; the preparation of all reports or statements regarding said personnel called for by the Department or Congress; the checking and verification of all the pay rolls before payment, and all other matters pertaining to the personnel of the Treasury service in Washington, all under the general supervision of the Chief of the Division. His knowledge and experience make him an almost indispensable employee.

The Law and Bond Clerk is custodian of the bonds of all officers of the Treasury and other Executive Departments who receive or disburse public funds. He is required to examine and certify as to the legality and sufficiency of all such bonds, contracts and leases under the Customs Service, and as to the authority of the agents executing these bonds on behalf of the surety companies, as well as the bonds required in connection with the contracts for the erection of public buildings. These bonds and contracts amount to more than \$400,000,000 a year, and 90% of such liabilities are assumed by corporate sureties. He is required to make inquiry into the financial condition and business methods of such surety companies, examining and auditing all reports and statements rendered, and has contributed valuable assistance in the ascertainment of surety conditions and in suggesting remedial regulations which have greatly improved the standing of the companies and the protection of the Government. He also has charge of the file of applications for appointment to Presidential Offices under the Treasury, the preparation of nominations, commissions and bonds of such officers, the compilation and editing of the Treasury Presidential Roster. In the administration of these duties he has developed a very excellent system of filing of records, and of card indexing. He is provided with four assistants.

Respectfully,

CHAS. LYMAN,
Chief of Appointment Division.

DIVISION OF PUBLIC MONEYS.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, January 21, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: In compliance with your request of the 15th instant for a concise written statement of the increase of force estimated for this Division for the fiscal year 1909, and for reasons for such increase, I have the honor to state that the increase of \$500 for the Assistant Chief was recommended for the reason it was thought commensurate to the duties performed and not out of proportion with other salaries. The increase of \$200 each to Mr. Uttz and Mr. Moon, now getting \$1,800, was because their work is of a high order and very heavy, both bookkeepers, one, in addition to keeping books, draws all the checks pertaining to the Secretary's three special deposit accounts, and the other keeps the national bank depository ledger and supervises the work of other clerks as well as doing special high grade work when called upon. The two additional clerks of Class 2 are needed because of the natural increase of work resulting from the largely increased public deposits as well as the number of depositories and the additional work assigned to the division under the new system for assembling of disbursing officers checks, the last named being entirely new and voluminous.

Respectfully,

E. B. DASKAM,
Chief of Division of Public Moneys.

DIVISION OF LOANS AND CURRENCY.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, January 21, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: In compliance with the request of the 21st instant I have the honor to say that this Division has asked for an increase of force for the fiscal year 1909 of three (3) expert money counters at \$720 and four (4) paper counters at \$620.

This increase is due to the natural growth in the volume of work of this Division. The constantly augmenting volume of paper money in circulation, with the consequent increase in redemptions of mutilated money, will make the increase of three expert money counters necessary to a prompt dispatch of the business of the Division. The same reasons are causing a steadily increasing amount of the different issues of paper money, revenue stamps, postage stamps, etc., produced by the Bureau of Engraving and Printing. All the paper used by the Bureau in its operations is issued to it from this Division, and the paper counters, of whom four additional ones are asked, are charged with the duty of examining and counting the paper.

The estimate includes an increase in the salary of the Assistant Chief of the Division from \$2,100 to \$2,500; also an increase in the salary of one classified laborer from \$550 to \$660. It is respectfully submitted that the position of the Assistant Chief of this Division, with the important and responsible duties attached thereto, is underpaid at \$2,100. As to the laborer at \$550, you are respectfully informed that all of the laborers of this Division are classified, and vacancies are filled through requisition upon the Civil Service Commission, who fill vacancies from their eligible list of messengers, watchmen, etc. A compensation of \$550 per annum is uninviting to candidates of this class, and difficulty has been sometimes had heretofore in obtaining new men, no doubt, in part because of the insufficient pay offered.

Respectfully, yours,

A. T. HUNTINGTON,
Chief of Division of Loans and Currency.

DIVISION OF REVENUE-CUTTER SERVICE.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, January 21, 1908.

The honorable, the SECRETARY OF THE TREASURY,
(Division of Bookkeeping and Warrants.)

SIR: In reply to circular letter of this date I have respectfully to say, in explanation of the item "one law and contract clerk at \$1,800 per annum" submitted in the estimate for the personnel of the Division of Revenue-Cutter Service for the fiscal year ending June 30, 1909, that the services of the clerk requested is in my opinion necessary for the efficient discharge of the work of this Division.

Last year Congress enacted a law establishing courts for the trial of officers and others in the U. S. Revenue-Cutter Service and it is essential that the proceedings of these courts be reviewed under the direction of the Chief of Division. It is necessary, therefore, that a person having legal training be attached to the office to assist in this work which is of a very important and technical nature. The services of such a clerk would also be valuable in the preparation of contracts entered into in behalf of the Service and for other legal purposes. There is no clerk now in this office having the requisite legal training and experience.

In relation to the item of \$100 increase in the compensation of the Assistant Chief of Division, included in said estimate, I have to state that this increase was recommended in order to make the compensation of that position commensurate with the responsible duties required of the person who fills that office.

Respectfully,

WORTH G. ROSS,
Captain, U. S. R. C. S., Chief of Division.

DIVISION OF PRINTING AND STATIONERY.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, January 22, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: I have the honor to advise you as follows in answer to your letter of the 20th instant, asking for a concise written statement of the increase of force estimated for this Division for the fiscal year 1909, and for the increase of salary submitted, showing in both cases the reasons for the increase:

1. The increase of \$200 in the salary of a clerk of Class 4, is intended for the clerk employed in editing the reports and publications emanating from the Treasury Department. The service that this clerk is performing is very important, and in the exercise of intelligent discrimination in revising copy saves a considerable sum of money each year in recommending for omission from reports and publications unnecessary and irrelevant matter. This valuable service should be recognized by increasing his compensation as indicated in the Estimates, and as recommended in my suggestions for the reclassification of the employees of the Division, filed in the Division of Appointments on September 12 last.

2. The services of the additional laborer estimated for at a salary of \$660 a year, are urgently needed in the disposal of the largely increased and increasing business of this Division in the handling of materials received from contractors and in the shipping and delivering of the same to officers of the service. The men employed in this service are now overworked, putting in overtime nearly every day. This additional help is needed to properly and expeditiously dispose of the business of the Division, which is mostly of a current nature, requiring prompt attention.

Respectfully,

GEO. SIMMONS,
Chief, Division of Printing and Stationery.

DIVISION OF MAIL AND FILES.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, Jan'y 21, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: Replying to your letter of this instant, I have the honor to say that no increase of force was recommended or estimated for in this office for the fiscal year, 1909.

There is but one increase of salary recommended, that being an increase of two hundred dollars per annum in the salary of the Document Clerk of the Department.

The Document Clerk receives and distributes the documents of the Department and conducts the correspondence relating to the work and secures from other sources such documents as are needed by the officials of the Treasury.

The present Document Clerk has a wide acquaintance with this branch of the work and is an employee of an unusually high degree of competency, efficiency and industry. The duties of the position have largely increased during the past few years, both in labor and responsibility, by reason of the augmented edition of the Treasury Decisions, which he distributes.

The present salary of sixteen hundred dollars is inadequate to the importance of the duties performed.

Respectfully,

S. M. GAINES,
Chief, Division of Mail and Files.

DIVISION OF SPECIAL AGENTS.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, January 21, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: The increase requested for the Division of Special Agents for 1909 is as follows:

1 Clerk of Class 2 (\$1400).

1 Clerk Class E (\$1000) in lieu of 1 clerk Class D (\$900).

The additional clerk of Class 2 is necessary because of the volume of work now falling upon the Division, due to the extension of the customs service.

The increase of one clerk from \$900 to \$1000 is asked for because the work of the clerk requires much more time and labor than formerly, owing to the growing field of work.

The addition of \$100 to the compensation of the Assistant Chief of the Division is but a small increase requested for an office of the customs service which has growing demands made upon it.

Respectfully,

GEO. W. MAHER,
Supervising Special Agent.

OFFICES OF THE DISBURSING CLERKS.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, January, 22, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: In compliance with your communication of the 21st instant in which you request the justification of the estimate submitted to you for the fiscal year 1909, we have the honor to submit as follows:

Collectively there is no Department of the Government whose operations are more extensive than those of the Treasury Department. The administrative bureaus of the Treasury Department as a rule operate more closely to their several branches, than do the administrative branches of most Departments of the executive branches of the Government.

For many years by reason of the great bulk of disbursements connected with the Treasury business, there has been two disbursing clerks necessary to handle the work of the Department. They each have handled a volume of business exceeding, perhaps, those of other Departments of the executive branches of the Government.

The office of Mr. Richards, the oldest of the Department disbursing clerks, one additional clerk has been asked for at the salary of \$1000.00, in lieu of a laborer at \$660.00, who is at present engaged in the office of Mr. Mattingly, the other disbursing clerk of the Department, and who has estimated for him in his annual estimates.

There are five disbursing clerks among the Departmental disbursing clerks who now receive more than do the disbursing clerks of the Treasury Department, than whom there are no more important officers of their kind.

The increase in the office of Mr. Richards has been occasioned in part by taking over of the disbursements of the Public Health and Marine Hospital Service. Appropriations for other branches of the service have been increased from time to time.

There have been on account of the volume of work involved, two disbursing clerks in the Treasury Department. One of them has recently retired, who has held office till just shortly before the close of the Civil War. His work has been latterly farmed out to the various bureaus whose payments he has been charged with.

This office, that of Mr. Mattingly, has now on detail the following persons from the designated offices and at the indicated salaries, as follows:

J. W. Townsend, \$2000.00, expert accountant, detailed from the Comptroller's office as cashier, has been with the disbursing clerk for a number of years, has rendered efficient service and in our opinion is entitled to the promotion which he has received through an appointment to the Comptroller's office.

E. L. Gibson, \$1400.00, detailed from the office of Commissioner of Internal Revenue

J. W. Bennett, \$1200.00, office of Chief Clerk.

These three persons have been detailed to the office of this disbursing clerk for the reason that the work now performed by them has heretofore been handled by the several bureaus of the Department to which their disbursements have pertained, and the Department is now asking simply that money heretofore appropriated for these persons in other bureaus of the office, be now appropriated for this Division of the office.

Messrs. Townsend and Bare, for whom estimate has been made as Assistant Disbursing Clerks and Chief Clerks, in the several offices have both performed efficient service in the disbursing offices of the Department. Their salaries have not been commensurate with that of other clerks who perform less responsible service.

The anticipated promotion of one clerk (bookkeeper) in the office of Mr. Richards from \$1,200.00 to \$1,600.00, is for the purpose of putting him on an equality with other clerks in the Department who perform similar and no more difficult service, and to extend to him tardy justice which he deserves.

The \$1,600.00 position estimated for in the office of Mr. Mattingly is a deserved promotion for a clerk (bookkeeper) now detailed at a salary of \$1,400.00 from the office of Commissioner of Internal Revenue. This whole office, that of Mr. Mattingly, as has been intimated has been run by delegation of its duties to the various bureaus of the Department. These duties are now being concentrated in the office to which they pertain, and the clerk for whom this promotion is sought is keeping the books of the office and undoubtedly deserves the promotion asked.

The position of \$1,400.00 asked for will be an original vacancy. This office unquestionably needs and demands additional help in the proper execution of its duties. It needs a clerk who will be competent to examine and intelligently audit vouchers. The salary is only commensurate with the qualifications of the position.

Respectfully,

W. S. RICHARDS,
L. H. MATTINGLY,
Disbursing Clerks.

SUPERVISING ARCHITECT OF THE TREASURY.

(Memorandum.)

INCREASES IN COMPENSATION, OFFICE OF THE SUPERVISING ARCHITECT.

Submitted for the service of the fiscal year ending June 30, 1909. (Book of Estimates, page 38.)

Supervising Architect, from \$4,500 per annum to \$5,500 per annum. (Increase of \$1,000 per annum.)

NOTE.—The salary of this position has remained at \$4,500 since 1875. At that time there were 160 buildings under the control of the Department. At this time there are 489, with 205 in course of erection and authorized; a total of 694, when completed. The greatly increased responsibilities, due to this expansion in the number of public buildings, with the volume of business requiring attention, as a result of public building legislation, together with independent service on special commissions by order of Congress and the Department, establishes a legitimate reason for the increased emolument.

One Clerk, Class Three, \$1,600 per annum, in lieu of one Clerk, Class Two, \$1,400 per annum, dropped.

NOTE.—The great increase in the volume of work in the Division in which this Clerk is employed, and the added responsibilities in connection with the settlement of contracts, which have greatly increased in number, as a result of public building legislation, justifies the payment of the compensation recommended.

NOTE.—There is no increase estimated for the force employed in the Office of the Supervising Architect under the salary roll, and no changes in salary other than the two above submitted.

Changes in grade and compensation of employees of the Office of the Supervising Architect are made with the approval of the Secretary of the Treasury, as provided for in the Statutes, but these are paid from what is known as the "lump sum" or "compensation roll," within the limitations of the appropriation for this purpose, provided by Act of Congress in accordance with the requirements of public building legislation.

Respectfully submitted.

J. K. TAYLOR,
Supervising Architect.

COMPTROLLER OF THE TREASURY.

TREASURY DEPARTMENT;
Washington, January 21, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: Replying to your communication of today, wherein you request a statement of the reasons for the increase of force and increase of salaries estimated for this office

for the fiscal year 1909, I have the honor to say that the increase of force asked is one clerk of Class 3.

A person has been on detail to this office for over a year, performing the duties of book-keeper, for whom the increase is asked.

There is no estimate for increase of salaries in this office.

Respectfully,

P. J. TRACEWELL,
Comptroller.

AUDITOR FOR TREASURY DEPARTMENT.

TREASURY DEPARTMENT,
Washington, January 22, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: Responding to Department letter of the 21st instant, calling for information relative to the "increase of the force for this office for the fiscal year 1909 and for the increase of salaries," I quote the following from my letters addressed to you on the 10th and 28th of last October: Letter of October 10th relating to estimates for appropriations for the fiscal year ending June 30, 1909: "I submit herewith the estimate for the appropriations required for the service of the fiscal year ending June 30, 1909, by the office of the Auditor for the Treasury Department.

"For some reason the number of Fourth Class clerks was reduced from eighteen to seventeen in the appropriations for the current fiscal year, 1908. Such action was taken without any knowledge on the part of this office and with detriment to the service. I have therefore asked that the number of Fourth Class clerks for the fiscal year 1909 be restored to its original number, eighteen.

A place on my roll was loaned to the office of the Chief Clerk as a matter of accommodation for a period of ninety days and the person appointed thereto was detailed to duty in the office of the Supervising Architect. The detail was continued for an extended period beyond the ninety days and subsequently the place seems to have been transferred to the office of the Supervising Architect. During a considerable portion of that time a clerk was detailed to this office in lieu of the services of the clerk who was appointed upon my roll and detailed to the office of the Architect.

The work will be increased considerably under recent department orders relative to the changes in methods of accounting and bookkeeping," especially in the assembling of checks and vouchers.

Letter of October 28th, responding to Department instructions to furnish a schedule for the reclassification of clerks and employees according to a report of the Keep Commission.—"I transmit herewith a schedule prepared in accordance with the official direction concerning reclassification of clerks in this office. The estimates submitted for the fiscal year 1909, calls for one-hundred and six clerks of the various grades as explained in the estimates as heretofore submitted to the Division of Bookkeeping and Warrants.

There are upon the roll for the present fiscal year, 1908, one-hundred and three clerks. The estimate asks for one additional Fourth Class Clerk, \$1800, to restore reduction made one year ago and two additional clerks, Class One, \$1200 each. Cards are submitted for one additional \$1800 clerk and two \$1200 clerks in addition to the persons now upon the roll of the office.

I have asked for five senior clerks at \$2100 to be used as assistant chiefs of divisions and assistant law clerks. The difference in service is such as to warrant the distinction in grade according to the schedule submitted. The total of the appropriations required for the schedule as submitted would be \$167,060.00. The amount of the appropriations for the present calendar year, 1908, is \$146,000.00, making a net increase of \$21,060.00.

The schedule has been prepared with the view of giving special encouragement for merited promotions and the retention of the best clerks in the service."

The reclassification was indicated upon cards supplied by the Department. The total annual compensation for one Fourth Class clerk and two First Class clerks would be \$4,200, which should be deducted from the increase of \$21,060.00, indicated above, to secure the exact figures showing the increase of salaries of persons already upon the roll. Thus the schedule of increase would add \$16,860.00 to the amount \$146,000.00, appropriated for the present fiscal year or approximately 11½%.

Respectfully,

W. E. ANDREWS, Auditor.

AUDITOR FOR NAVY DEPARTMENT.

TREASURY DEPARTMENT,
Washington, January 21, 1908.

To the honorable, the SECRETARY OF THE TREASURY,
Treasury Department.

SIR: Replying to your request for a concise written statement of the increase of force estimated for this office for the fiscal year 1909, and increase of salaries submitted, I have the honor to state that the increase of salaries asked for in the estimate is requested in order to retain in the service expert clerks, who are employed on the high grade and difficult work, that of auditing accounts, and to thereby prevent their seeking and accepting employment in other Departments and outside the service, as they now feel impelled to do because of the inadequate salaries in vogue.

The increase of six clerks asked for is to meet a natural and rapid increasing volume of work, occasioned by the constant growth of the Navy Department, and increase in naval appropriation, and to meet increased work occasioned by the changed methods devised for auditing accounts.

It is imperative, in order to bring the work up to a safe and reasonable point, and to maintain it at the aforesaid point, that the increase in force requested be allowed.

Respectfully,

R. W. TYLER, *Auditor.*

AUDITOR FOR INTERIOR DEPARTMENT.

TREASURY DEPARTMENT,
Washington, January 21, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: In response to your letter of this date I have the honor to submit the following statement:

The estimate for salaries for this office for the fiscal year ending June 30, 1909, provides for a net increase of two employees, and a net increase in the appropriation of \$5,000.00. The changes on which the estimate is based are as follows: An increase of two clerks of Class 4, to provide for the service of experienced clerks which I consider indispensable to meet immediate and imperative demands of the service. The other changes in the clerical force proposed are an increase of three clerks of Class 3, a decrease of ten clerks of Class 2, an increase of twelve clerks of Class 1, and a decrease of five clerks at \$1,000.00 each.

There is a large number of clerks of generally equal capacity and industry engaged in the same kind or substantially the same grade of work receiving salaries ranging from \$1,000.00 to \$1,400.00. It is desired to equalize the salaries of these clerks and adjust them to the grade of work on which they are employed.

The increase of three clerks of Class 3, is proposed for like reasons.

Also, the proposed changes in the force of messengers and skilled laborers are based on similar conditions and reasons.

It has been with difficulty that the work of this office has been kept current during the present fiscal year. Much additional work has resulted from the Pension Act of February 6, 1907. (34 Stat., 879.) There has also been a considerable increase in work due to the adjustment of Reclamation Service accounts, and there will shortly be a material increase of work in the settlement of accounts in the Indian Service due to recently instituted methods of handling and accounting for trust funds, which hitherto have not been accounted for. Employees of this office have been working over time for some weeks past, and are now working to the limit of their capacity. My report to you of the condition of business in this office December 31, 1907, shows delinquencies which I fear will increase rather than diminish during the balance of this fiscal year. I should be glad to have the appropriation for the increase of two clerks of Class 4, asked for, made immediately available.

Respectfully,

R. S. PERSON, *Auditor.*

AUDITOR FOR STATE AND OTHER DEPARTMENTS.

TREASURY DEPARTMENT,
Washington, January 22, 1908.

Honorable J. H. EDWARDS,
Assistant Secretary of the Treasury.

SIR: Replying to your communication of the 21st instant, I have the honor to inform you that the estimates for the fiscal year 1909, so far as they pertain to this office, pro-

vide for but one increase of salary, namely, an examiner at \$2,000 per annum, in lieu of a clerk at \$1,800 per annum. An additional force is requested of two clerks, class 4 (\$1,800 per annum), two clerks, class 3 (\$1,600 per annum), one clerk, class 1 (\$1,200 per annum), one assistant messenger additional, and one assistant messenger in lieu of one classified laborer at \$660 per annum, now on detail from the Bureau of Engraving and Printing, to be transferred without regard to Civil Service rules and regulations.

The increase in the salary of the examiner is recommended on account of the importance of his work. The accounts of about two-thirds of all the disbursing officers of the District of Columbia are audited in this office. During the year 1907 the examiner made 31 examinations of offices under the act of March 15, 1898 (30 Stat., 316). This work requires ability of the highest order, and the salary should be commensurate with the duties and requirements of the position.

The increase in force is necessary because the office, by reason of the great increase in its work within the past year, is now in arrears and is steadily getting further in arrears. On June 30, 1907, the office had 2,594 unsettled accounts on hand. The monthly reports show an increase month by month, and on December 31, 1907, there were 4,757 accounts on hand. This condition arises from the fact that the force in the Miscellaneous Division is not sufficient to handle the volume of work. The other divisions are able to do their work with their present force. The accounts of the Department of Agriculture have doubled in the past two years, owing to the increase in appropriations. For the year 1907 \$3,000,000 was added for the Meat Inspection Service alone. During that year the Forest Service also made its great increase. While that service was insignificant three years ago, it now has over 2,000 employees, with expenses of over \$2,500,000 a year, and collected last year over \$1,500,000 from 30,800 individuals.

There has also been a great increase in the work of the Department of Commerce and Labor, the Interstate Commerce Commission and the Government Printing Office, as well as in the District of Columbia, Senate, House of Representatives, and the various independent Government establishments the accounts of which are audited in this division. New commissions created from time to time are also added to the division, as for example the Immigration Commission, created during the past year. The increased volume of accounts under the 1907 appropriations did not affect this office until a little less than a year ago. Since that time the office has been steadily getting further in arrears.

One clerk and one assistant messenger are needed for service with the rate board, created by the Secretary on July 1 last. As the Secretary has put the administrative direction of this board under the Deputy Auditor for the State and other Departments, it has been necessary for this office to provide messenger service and a stenographer for the general work of the board.

Respectfully,

C. R. LAYTON, *Auditor.*

AUDITOR FOR POST-OFFICE DEPARTMENT.

TREASURY DEPARTMENT,
Washington, January 21, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: The estimates for the service of this office for the fiscal year ending June 30, 1909, submitted in November last, provided for two additional clerks of class three, two additional clerks of class two and six additional clerks of class one, and for a class of skilled laborers at \$780.00 each. It was stated at that time that this recommendation is based solely on the extension of the service under normal conditions and not upon any contemplated innovations.

The Postmaster General, in his last annual report, states that it is the policy of the Department to require every postmaster, whenever practicable, to transact postal money order business.

From July 1, 1907, to December 31, 1907, 1,322 additional money order offices were established.

On January 2, 1908, this office received notice from the Postmaster General that 2,988 additional offices had been authorized to transact money order business. The number of such offices on June 30, 1907, was 37,572; at the present time the number is approximately 42,000, an increase in one-half of the present fiscal year of 4,500.

With the Postmaster General's policy in view I submitted, on January 4, 1908, a recommendation that the above mentioned estimate be increased so as to provide for 4 (instead of 2) additional clerks of class 3, 4 (instead of 2) additional clerks of class 2, 12 (instead of 6) additional clerks of class 1. To the estimate of the 4th instant, I desire to add the skilled laborer class of \$780.00.

The extraordinary growth of the money-order system is taxing the capacity of this office to keep the work current. Within the last year it has been necessary for some of the divisions engaged in the audit of money-order accounts to work overtime in order to keep the work as nearly current as its nature will permit. The records of the office show that this overtime work, not including that which was voluntarily rendered by clerks and of which no record was kept, amounts to approximately twelve hundred days.

As shown by the following table, while only 128 additional money-order offices were established in the fiscal year 1907, there was an increase of over four million domestic money orders issued in that year. The table shows that there was an increase in the number of money-order offices from 1902 to 1907 of 18½%, and that the number of money orders issued during the same period increased 54½%, while the increase in the clerical force in the Auditor's Office amounted to only 39¼%.

Year.	Number of money-order offices in operation.	Number of domestic money orders issued.	Number of employees in Auditor's Office.
1902.....	31,680	40,474,327	543
1903.....	34,547	45,941,681	600
1904.....	35,094	50,392,554	625
1905.....	36,832	53,379,327	697
1906.....	37,444	58,461,353	727
1907.....	37,572	62,530,408	756

In the quarter ended September 30, 1907, 14,677,672 money orders were issued, an increase of 10% over the same three months in 1906.

The number of international money orders issued in the year 1907 exceeded by 544,773 the number issued in 1906. The number issued in the September, 1907, quarter shows an increase of 20% over the same period of 1906.

\$780 Skilled Laborers.

It is desired to establish a skilled laborer class at \$780 per annum, (in lieu of thirty skilled laborers at \$660 each), by promoting thirty skilled laborers now receiving \$720, and a consequent promotion of thirty skilled laborers from \$660. This action will not result in adding to the number of employees, but will be the means of promoting a number of faithful employees. The employees who will be affected by that legislation were all transferred from the Bureau of Engraving and Printing at a reduced compensation. They are expert in the handling of money orders; but at present cannot be promoted beyond \$720. Under favorable conditions several years must elapse before skilled laborers at \$660 may be promoted to the next highest grade. I believe the prospect of promotion should be placed before these employees. It will stimulate them to greater activities in their work and will be some help towards meeting the increased cost of living expenses.

In view of the extraordinary expansion of the money order system and the consequent demands upon the accounting office, I respectfully recommend that appropriation be made for 4 additional clerks of class 3, 4 additional clerks of class 2, 12 additional clerks of class 1, and that a skilled laborer class, 30 at \$780 each per annum be established.

Respectfully,

ERNST G. TIMME, *Auditor.*

TREASURER OF THE UNITED STATES.

TREASURY DEPARTMENT,
Washington, January 22, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: This office is in receipt of your letter of the 21st instant, in which it is requested that a concise written statement shall be made at once of the increased force estimated for this office for the Fiscal Year 1909, and for the increase of salaries submitted, also showing in both cases the reason for the increases.

The appropriations for the present Fiscal Year are as follows:

Office of the Treasurer of the United States.....	\$433,480
Office of the Treasurer of the United States, (on account of national currency to be reimbursed by the National Banks).....	123,640
Total.....	557,120

The estimates for the Fiscal Year 1909, are as follows:

Office of the Treasurer of the United States.....	\$515, 174
Office of the Treasurer of the United States, (on account of national currency to be reimbursed by the National Banks).....	136, 410
Total.....	651, 584
Repairs to cancelling and cutting machines, Office of the Treasurer of the United States.....	200
Total increase.....	94, 464

The increase in the force asked for is 77. The increase in certain grades asked for amount to 97, offset by a reduction of 20 in other grades.

The increase asked for in the force is absolutely necessary for the proper conduct of the business of the office and provide for the large increase in the issue and redemption of paper currency. The present force is wholly inadequate to meet the growing demands in every direction.

The increase in salaries of officers and principal employees is requested for the reason that the duties performed by them are of such importance that if performed for institutions outside the Government, even larger salaries than are asked for would undoubtedly be given. In 1876, the salaries of these officers and employees were reduced in amounts varying from \$100 to \$500 and since that time, a period of 31 years, no increase has been given, although the work and responsibilities have increased to an enormous extent.

The increase in salaries of the clerical and messenger force is necessary for the retention of the best men in the lower grades of the Bureau, who are rapidly leaving on account of superior opportunities offered elsewhere. During the past year, 29 employees resigned and 24 were transferred to other Bureaus and Departments.

The increased cost of living, the extra hours of work at night and on Sundays, the curtailment of leaves and consequent impairment of health of the employees, are submitted as additional reasons for the general increase in the salaries of the officers and employees.

The increase asked for is only 5.3% for the Office of the Treasurer of the United States and 10.33% for the Office of the Treasurer of the United States, (on account of national currency to be reimbursed by the National Banks).

A more complete statement of the reasons for the increase in the number and compensation of the employees will be found in letter from this office, under date of January 17th, transmitting the revised estimates of Appropriations.

Respectfully,

J. F. MELINE,
Assistant Treasurer U. S.

REGISTER OF THE TREASURY.

TREASURY DEPARTMENT,
Washington, January 21, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: In compliance with your request of date January 21, 1908, that this office furnish a statement, showing the estimated increase of employees and salaries for the fiscal year 1909, and the reasons for the same, I have the honor to report the following:

Two Chiefs of Division from \$2,000 to \$2,250.

One Custodian of Vault from \$1,800 to \$2,000.

One clerk from \$1,600 to \$1,800.

Nine counters from \$720 to \$900.

Five additional counters at \$900.

To increase the salaries of the Chiefs of Division as estimated would be to provide more adequately for two very efficient gentlemen, whose duties are constantly augmenting and would be placing their salaries on a par with those received by Chiefs of Division in other Bureaus of the Department.

When the salary of the Chief of the Division of Loans was created, the work was largely supervisory in character; now he must plan, execute and supervise, and with it see that the work of the Division is kept up to date. The work of the Division is current. The Division is in a high state of efficiency, and has not been a day behind with any of its work for years.

The present Chief of the Division of Notes, Coupon and Currency was promoted to his present position, August 1, 1897.

His administration of the affairs of the Division has been eminently satisfactory, both to his superiors and subordinates, and the systems and methods adopted under his direction have enabled the Division to meet all the requirements of the public service.

The Custodian of the Vault performs, in addition to his duty as Custodian, the labor of an \$1,800 clerk. He is the only Custodian in the building who does not receive extra compensation.

He has at times as much as \$1,500,000,000 in bonds, many of them in coupon form, in his custody. To make the salary \$2,000 would place the Custodian of the Vault on an equality with other persons holding like positions.

The clerk of class 3, for whom promotion to class 4 is asked, has charge of the requisitions for supplies, etc., for the office.

He also looks after the schedules that go to the printer; and aside from his duties in the Bureau, does much committee work for the Department. He was reduced from \$1,800 to \$1,400 some years ago, when the Dockery Act went into effect, for no reason other than that of expediency, so far as I have been able to discover.

Increase of salary for the nine counters, and the five additional counters is asked, because the daily average receipts amount to over 500,000 notes; this amount has to be examined and counted by the close of each day, and to accomplish this labor, it requires the earnest and diligent work of the entire force of skilled counters.

The force of nine counters now receiving but \$720 and recommended for promotion to \$900 are a part of this force and by their four or five years of continuous service have become expert counters. The daily average number of notes counted by each of them amounts to 31,000 notes, when the average count of 24,000 notes ten years ago was considered a good day's work.

The receipts of redeemed National currency has steadily increased from 52,894,507 notes received in the fiscal year 1894-5 to 161,437,213 notes received in 1906-7. These figures point strongly to the fact that this unusual increase will continue for some years.

Respectfully,

C. F. ADAMS, *Acting Register.*

COMPTROLLER OF THE CURRENCY.

TREASURY DEPARTMENT,
Washington, January 21, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: I have the honor to state that the estimates submitted for this office for the year 1909, contained only one increase in number of employees, that of Second Deputy at \$3,000. I consider that as very important on account of the large number of letters necessary to be answered promptly and with a full understanding of their importance. This has been done but the increase of the business in this office has been so great that this officer would confer the greatest relief from this situation.

The increase of salary for two Chiefs of Division of \$300 each; the increase of salary for Bookkeeper, \$500; the increase of salary for Assistant Bookkeeper, \$200; the increase of salary for three counters, \$20 each; and on reimbursable roll the increase of salary for Teller, \$200; the increase of salary for three counters, \$20 each.

The above increase is justly due for the responsibility, and also on account of the large increase of work placed on these employees, which will only bring them in line with similar positions in the department.

Respectfully,

WM. B. RIDGELY, *Comptroller.*

COMMISSIONER OF INTERNAL REVENUE.

TREASURY DEPARTMENT,
Washington, January 21, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: In compliance with your request of the 21st instant that a concise written statement be made at once of the increase of force estimated for this office for the fiscal year 1909, and for the increase of salaries submitted, also showing in both cases the reasons for the increase, the same to be delivered to the Division of Bookkeeping and Warrants not later than 10 a. m. to-morrow, I have the honor to report that the total increase estimated for is \$7,880.00, less places dropped, amounting to \$5,340, making a net increase estimated for of \$2,540.

The increase of force estimated for 1909 in this Bureau consists of one Assistant Chemist at \$1,800; one Assistant Chemist at \$1,600; one Assistant Chemist at \$1,400,

and one Assistant Chemist at \$1,200, in lieu of three \$900 and one \$1,200 Clerks dropped, and two Messengers at \$840 each in lieu of two Assistant Messengers at \$720 each dropped; also \$200 additional to one Clerk as Disbursing Clerk.

The reasons for the increases asked for follow:

It is impossible for this Bureau to procure Chemists of skill and experience at the salaries heretofore and now paid. Within the past few months the Bureau has lost by resignation six Chemists who, by reason of their experience, were valuable to the Bureau. They were offered more money elsewhere than this Bureau could pay.

The two Messengers are estimated for in lieu of two Assistant Messengers so that each Deputy Commissioner may have a Messenger assigned to him.

The reasons for estimating for \$200 additional to one Clerk as Disbursing Clerk are that a disbursing officer for the Bureau to pay the office force in Washington, salary and expense accounts of Internal-Revenue Agents and Inspectors in the field, and miscellaneous expenses, would facilitate payment, keep the matter in the Bureau where it is thoroughly understood, and result in a betterment of the service by permitting the application of reasonable business methods. At present the local office force and salary bills of Revenue Agents and Inspectors are paid by a disbursing clerk of the Department. The expense bills of the Revenue Agents and Inspectors and miscellaneous bills are administratively approved by this office, forwarded to the Auditor, and after approval by his office, are paid by settlement warrants. The routine through which these bills pass of necessity causes delay.

Respectfully,

ROBT. WILLIAMS, JR.,
Acting Commissioner.

OFFICE OF LIFE-SAVING SERVICE.

TREASURY DEPARTMENT,
Washington, January 22, 1908.

The honorable the SECRETARY OF THE TREASURY.

SIR: In compliance with your instructions of the 21st instant, I have the honor to enclose herewith a statement showing the increase of force estimated for in this office for the fiscal year 1909, and the reasons therefor.

Respectfully,

S. I. KIMBALL,
General Superintendent.

LIFE-SAVING SERVICE.

Statement showing increase of force estimated for in the office of the General Superintendent of the Life-Saving Service for the fiscal year 1909, and reasons therefor:

Three additional clerks are estimated for, one at \$1,800, one at \$1,000, one at \$900, also a messenger at \$840.

The reasons for the proposed increase are:

The duties and responsibilities of the office have been greatly multiplied in consequence of the extension of the Service by the addition of new stations authorized by law; by their habilitation and manning; by the extension of the telephone system as the needs of the Service have demanded; by the introduction of new and improved methods and station equipment in the field, involving various new and indispensable requirements, and by the extensive repair, rebuilding and improvement of old stations no longer adequate to the present needs of the Service, all of which necessarily has increased the volume of business, so that it has become impossible to properly conduct the affairs of the office with the present force.

There has been an increase of but two clerks, and an assistant messenger in the office during a period of twenty-two years, while the Service has been enlarged by the addition of seventy-eight stations making now 281 stations, including two that are in process of building. The necessary steps, such as procuring titles and the preparations of plans and specifications, etc., are now being taken preparatory to the construction of several more new stations authorized by law to be established. A new district (making thirteen in all) has been created by Congress, and the district formerly embracing the coasts of California, Oregon and Washington has been extended to include Alaska.

Urgent work on hand has had to be postponed because of insufficient force. For instance, the Chairman of the Committee on Interstate and Foreign Commerce requested the office six months ago or more to send him a compilation of the laws relating to the Life-Saving Service, which has not yet been prepared although such a compilation is needed for the use of the office and by the Service at large. The regulations for

the government of the Service ought to be revised. The last revision was made nine years ago, and since that time new methods and improved apparatus have been introduced, and many changes, especially regarding the conduct of the fiscal affairs of the Service have been made. These matters have necessitated the promulgation of numerous circulars, inconsistent with the provisions contained in the present volume of regulations, and these inconsistencies lead to errors and confusion which increase the current work. A revision of the regulations has been under way during the last three years but the work is still far from completion for want of clerical assistance. Other important work is held in abeyance for the same reason. For a year or more the office has been obliged to obtain a great deal of assistance from other offices in the way of details. The proposed \$1,800 position would be filled by a \$1,600 clerk who is now a chief of division in the office.

The additional force of clerks asked for will be no more than sufficient to meet the present requirements.

The location of the office at a distance from the Treasury building in one direction, the frequent trips to the city post-office for a portion of the official mail, and a large proportion of our files contained in a building in a different direction largely increases the work of the messenger force of the office, which is now totally inadequate.

A statement is appended showing the present force in the office, the appropriation for the current fiscal year, and the proposed increase.

		Proposed Increase.
General Superintendent.....	\$4,500	
Assistant General Superintendent.....	2,500	
Principal Clerk.....	2,000	
Title and Contract Clerk.....	2,000	
Civil Engineer.....	1,800	
Topographer and Hydrographer.....	1,800	
Draftsman.....	1,500	
Clerks, Class 4, 3 @ \$1,800.....	5,400	+\$1,800
Clerks, Class 3, 5 @ 1,600.....	8,000	
Clerks, Class 2, 4 @ 1,400.....	5,600	
Clerks, Class 1, 5 @ 1,200.....	6,000	
Clerks, Class E, 2 @ 1,000.....	2,000	+ 1,000
Clerks, Class D.....	900	+ 900
Messenger.....		840
Assistant Messengers, 2 @ \$720.....	1,440	
Laborer.....	660	
<hr/>		
Present appropriation.....	46,100	
Proposed increase.....	4,540	4,540
<hr/>		
Estimate for 1909.....	50,640	

Now has 22 clerks from above statement. 3 new places asked for—not including messenger.

BUREAU OF ENGRAVING AND PRINTING.

TREASURY DEPARTMENT,
Washington, January 22, 1908.

[Memorandum.]

Estimate for Salaries, Bureau of Engraving and Printing, 1909.

Increase of force submitted:

Clerks of class 3.....	4
Clerks at \$780 each.....	5
Helper at \$900.....	1
Laborer at \$660.....	1
Laborers at \$540 each.....	9
	<hr/>
	20

Less Reduction of Force Submitted:

Clerk at \$1,000.....	1
Clerks at \$900 each.....	2
	<hr/>
	3

Net increase of Force Submitted..... 17

This net increase is principally due to the increased amount of work to be executed in 1909 over the amount to be executed in 1908. For 1908, the work to be executed is 214,108,452 sheets of securities, etc., and for 1909 the amount to be executed is 239,048,015 sheets, or an increase of 24,939,563 sheets for 1909 over 1908. For 1908 the number of the force estimated and appropriated for is 283, and for 1909 the number estimated for is 300, an increase stated of 17 for 1909 over 1908. The increase of work to be executed in 1909 is therefore 11.6 per cent while the increase of force estimated for is an increase of only 6 per cent over 1908. Another reason for the increase in the force is that a considerable portion of the force in the year 1908 is obliged to serve an extra hour daily under pressure of current work, and estimates submitted for 1909 have in view the relief of this situation.

INCREASE OF SALARIES SUBMITTED.

For Director of Bureau. (increase of \$1,000 submitted.) \$5,500.

The reason for the increase of this salary is that the present compensation for the position is conspicuously inadequate for an official properly administering the affairs of so important a branch of the public service as the Bureau of Engraving and Printing. Compared to the salary attached to the position of directing head of any reputable private business of like magnitude and carrying similar responsibilities, the amount submitted is safely within the limit of fairness. The salary of the public printer is \$5,500.

Assistant Director. (increase of \$500 submitted.) \$3,500.

The assistant director is the principal executive officer of the Bureau and has immediate charge of the proper and prompt execution of all work intrusted to it. The position calls for a high order of executive ability with discriminating judgment as to the proper assignment and use of workmen, materials and machinery, with a view to economy of production. The present salary is also inadequate. The compensation attached to positions requiring like qualifications in private similar establishments of equal output, will probably average considerably higher than the amount submitted. The salary of the deputy public printer is \$3,600.

Chief of Division of Contracts and Supplies, in lieu of Clerk in Charge of Purchases and Supplies, at \$2,000, (an increase of \$250 submitted.) \$2,250.

The quantity of material supplies purchased by the Bureau, and the details of labor in so preparing contracts as to protect the interests of the Government in making purchases, have grown to such extent since the beginning of the fiscal year 1903, when the present position and salary were fixed, as to constitute a separate division of the service. The position is one of large responsibility and requires to be filled as it is at present, by an expert of extended technical knowledge and exceptional clerical ability. The change of title and amount submitted are warranted by the increased work and importance of the position.

DIRECTOR OF THE MINT.

TREASURY DEPARTMENT,
Washington, January 21, 1908.

The honorable the SECRETARY OF THE TREASURY.

SIR: Replying to your communication of this date, I have to inform you that there has been no recommendation made for an increase of the force of employees for the Bureau of the Mint in the estimate for the fiscal year 1909. On the contrary, I recommended the cutting out of two positions, appropriation for which was made in the current year, to wit, one \$1200 clerkship and one \$900 clerkship. However, I recommended an increase in the salary of one of the clerks from \$1200 to \$1400, and an increase in the salary of the assistant to the assayer in the laboratory from \$1200 to \$1400, both of which increases are recommended for meritorious service. Thus you will note that the estimates for the Bureau of the Mint for the fiscal year 1909 are \$500 less than for the current year.

Respectfully,

FRANK A. LEACH,
Director of the Mint.

SURGEON-GENERAL, PUBLIC HEALTH AND MARINE-HOSPITAL SERVICE.

TREASURY DEPARTMENT,
Washington, January 21, 1908.

The honorable, the SECRETARY OF THE TREASURY.

SIR: (Division of Bookkeeping and Warrants) In accordance with a request received by phone from the Division of Bookkeeping and Warrants that the "Secretary desires a concise written statement shall be made at once of the increase of force estimated

for your (this) office for the fiscal year 1909, and of the increase of salaries submitted; also showing in both cases the reasons for the increase." I have the honor to state that no increase in the force has been asked for. The reasons for the increase of salaries submitted are as follows:

The importance and responsibilities of the position of chief clerk justify the increase asked for, and will put this position on a par with other chief clerks in the Department. The duties of the chief clerk are not alone confined to the supervision of the clerical force in the office proper, but they are also connected with the outside service, with a personnel numbering about 1,300.

The increase of one clerk from \$1,800 to \$2,000 will, in a measure, equalize the salary of the clerk in question to that of other clerks performing similar duties in other offices of the Department. The clerk filling this position is required to have especial knowledge of law and of decisions relative thereto, and he performs the duty of law clerk in the Bureau, as no law clerk is provided for by law. In addition to the above duties he has all the correspondence and records relative to the personnel of the Service. It is believed that the salary now attached to the position would not attract a person possessing the required qualifications to fill the same, should a vacancy occur therein. The clerk now holding the position is a graduate of law and a member of the bar, and the duties required of him are of the highest order.

The increase of one clerk from \$1,400 to \$1,600 per annum is requested for the reason that the occupant of the position is an expert bookkeeper and has charge of the records of expenditures for the Bureau, and it is believed that his position could not be filled satisfactorily at the compensation now paid, as other bookkeepers in the Treasury Department receive a higher salary than \$1,400.

The increase of a clerk from \$900 to \$1,200 per annum is made for the reason that it has been impossible to retain the services of a competent stenographer and typewriter at a compensation of \$900. The experience of the Bureau has been that as soon as a stenographer becomes familiar with Departmental duties, he secures a transfer from this Bureau at an increased compensation.

The increase of two laborers from \$540 to \$660 per annum is recommended for the reason that Section 2 of the Act of February 26, 1907 provides that the statutory pay of laborers shall be \$660 per annum, and good men cannot be procured at \$540 per annum.

Respectfully,

WALTER WYMAN, *Surgeon-General.*

CONTINGENT EXPENSES, TREASURY DEPARTMENT.

STATEMENT OF MR. W. W. LUDLOW, CHIEF CLERK.

NEWSPAPERS, NEWSPAPER CLIPPINGS, REFERENCE BOOKS, ETC.

MR. LUDLOW. Mr. Chairman, the first item under the jurisdiction of the chief clerk's office is that of newspapers and books.

MR. BINGHAM. You very largely increase the old verbiage over the current law.

MR. LUDLOW. That is because under the law we can not subscribe for newspapers and periodicals in advance.

MR. BINGHAM. You mean you can not pay for them in advance?

MR. LUDLOW. Many of the publishers of needed newspapers and periodicals will not send their publications to us unless paid for in advance.

MR. GILLETT. You never have, before?

MR. LUDLOW. Yes; but the Comptroller has said, "Don't do it again."

MR. BINGHAM. The item reads, "For newspapers, newspaper clippings, law books, city directories, and other books of reference relating to the business of the Department." Do you follow that limitation under the law?

MR. LUDLOW. Yes.

MR. BINGHAM. Now in addition to that you want newspaper clippings?

Mr. LUDLOW. Yes. The Secretary of the Treasury desires to have certain clippings from these clipping bureaus, which relate to the Treasury Department only.

Mr. BINGHAM. Then you insert the proviso—

That section thirty-six hundred and forty-eight of the Revised Statutes shall not apply to the subscriptions for publications for the Treasury Department, and the Secretary of the Treasury is authorized to pay in advance for any publications for the use of this Department.

Mr. LUDLOW. Yes. That is the law that you have incorporated with two or three Departments, and we are asking for the change, so that we can pay in advance for necessary publications.

Mr. BINGHAM. Does that justify your increase of \$500?

Mr. LUDLOW. It is really an increase of only \$300. Last year your Committee cut the appropriation to a thousand dollars. We have for many years asked for \$1,500. It is a most embarrassing thing for an administrative office to keep within that appropriation. Last year you cut us \$200 out of that same appropriation; the Committee did. One thousand five hundred dollars is none too much for this service.

Mr. BINGHAM. The only thing I see new is your newspaper clippings, and in fact that is a big amount of money, although I suppose you have to pay in accordance with the number of clippings they send you. But that is almost unlimited; those people clip out everything.

Mr. LUDLOW. That would not probably amount to \$50 a year.

Mr. BINGHAM. Does your purchase of books of reference amount to considerable?

Mr. LUDLOW. Yes.

Mr. BINGHAM. City directories?

Mr. LUDLOW. Yes; city directories of all the large cities, for the use of the Treasurer and Register, etc.

INVESTIGATION OF ACCOUNTS AND RECORDS.

Mr. BINGHAM. What do you mean by the words, "in connection therewith" in the item "For the investigation of accounts and records, including the necessary traveling expenses"? That is the item on page 116.

Mr. LUDLOW. I am not familiar with this appropriation. I supposed it was taken up by the Secretary this morning in connection with his changes in system. I only know in a general way that it relates to traveling expenses, to enable the Secretary to reorganize the Subtreasury system.

Mr. BINGHAM. And therefore the other part of the paragraph comes in to make up your \$10,000?

Mr. LUDLOW. Yes.

CHANGE IN METHOD OF BOOKKEEPING.

Mr. BINGHAM. But that is in connection with the new system of bookkeeping, as you will notice if you will read the last words of that paragraph. Do you have anything to do in your bureau with the new system of bookkeeping?

Mr. LUDLOW. No, not at all.

Mr. BINGHAM. Then you do not know why it is there at all?

Mr. LUDLOW. No, except that it is the general policy of the Department to reorganize the Sub-treasuries in the various cities.

FREIGHT, EXPRESSAGE, TELEGRAPH AND TELEPHONE SERVICE.

Mr. BINGHAM. Do you spend all the allowance for freight and expressage, telegraph and telephone service?

Mr. LUDLOW. Practically, yes, sir.

RENT OF BUILDINGS.

Mr. BINGHAM. And the same with rent of buildings?

Mr. LUDLOW. Yes, sir.

Mr. BINGHAM. Have you had anything in the Deficiency bill?

Mr. LUDLOW. Yes, but it was stricken out.

Mr. BINGHAM. What new building do you want to rent?

Mr. LUDLOW. The building at 14th and G streets, to accommodate the Auditor for the State and Other Departments.

Mr. BINGHAM. Have you any statement as to the necessity for that?

Mr. LUDLOW. I can make a statement as to the overcrowded condition of our building at the present time and the constant increase of files and papers. The bureaus of the Treasury Department are congested in such a manner that it would be economical to the service if you could rent some other building, which would reduce sick leaves due to overcrowding. The average space now available for clerks is about 56 square feet, much under that necessary to insure good sanitary conditions.

PURCHASE OF HORSES AND WAGONS.

Mr. BINGHAM. The next item is "For purchase of horses and wagons, for office and mail service, to be used only for official purposes, *and for the purchase of carriage and team for the use of the Secretary of the Treasury*, care and subsistence of horses, including shoeing, and of wagons, harness, and repairs of the same, five thousand five hundred dollars."

Mr. LUDLOW. That is new.

Mr. BINGHAM. How long have you had the present team and carriage?

Mr. LUDLOW. About eight years. This team has about gone to pieces, and will break down before long; I expect it any day. The Secretary would like to have an inexpensive new carriage, a carriage or coupé to cost not more than \$500 or \$600.

Mr. BINGHAM. Eight years he has had his team, and wants a new carriage. Is there anything wrong with the horses?

Mr. LUDLOW. As I remarked they are going to pieces. You would be surprised to see to how much use Secretaries put their carriage horses.

Mr. BINGHAM. They are always used for official purposes?

Mr. LUDLOW. Yes, sir.

PURCHASE OF ICE.

Mr. BINGHAM. Have you expended all the appropriation for the purchase of ice?

Mr. LUDLOW. Yes, we will. We have to exercise great care with this appropriation, as we do for all contingent expenses. The increase in price over last year is from 2½ to 5½ cents per hundred pounds.

PURCHASE OF FILE HOLDERS AND FILE CASES.

Mr. BINGHAM. The next is for the purchase of file holders and file cases. Are you not paying too much?

Mr. LUDLOW. No. We pay double the price of last year.

Mr. BRICK. Was that under contract?

Mr. LUDLOW. Yes; on competitive bids.

Mr. BRICK. Did they combine on you this year?

Mr. LUDLOW. They combined three years ago and ran the price down about half. Last year the man who ran the price down went out of business, and the other man put his price right up again. Then, the cost of materials is a great deal higher, all kinds of materials used in these cases; hardware, lumber, and everything else.

PURCHASE OF COAL, ETC.

Mr. BINGHAM. Purchase of coal, and so forth, page 119.

Mr. LUDLOW. That is a reduction. For many years we have been returning some of the appropriation, so I thought this year I would not ask for so much.

PURCHASE OF GAS, ELECTRIC CURRENT, ETC.

Mr. BINGHAM. Next year you propose to expend \$17,000 for gas, electric current, gas, and electric fixtures, and so on?

Mr. LUDLOW. Yes, sir.

MISCELLANEOUS ITEMS—WASHING AND HEMMING TOWELS, ETC.

Mr. BINGHAM. \$10,000 is your estimate on the next item, for washing and handling towels, purchase of awnings and fixtures, and miscellaneous articles named there. Do you exhaust all that appropriation?

Mr. LUDLOW. Yes, every cent of it. But we know how hard it is to get an increase, so we do not ask for it. But we run to the limit on it all the time.

SHELVING AND TRANSFERRING RECORDS.

Mr. BRICK. Here is a new item for shelving. What is the necessity for that?

Mr. LUDLOW. The constant need of transferring files from one building to another. We have got only one wagon to do this work with. The cost of lumber for shelving and one thing and another has increased thirty-three and one-third per cent.

Mr. BINGHAM. You have lived comfortably under that appropriation, have you not?

Mr. LUDLOW. Not comfortably. There are always requisitions ahead. These files and the necessity of shelving in these buildings are on account of the embarrassment now caused to the Department in transferring files back and forth from the Treasury building to the various other buildings, the rented buildings; the storage building and the Cox building. Last year we asked for this, but it was not allowed. That is a new item.

Mr. BINGHAM. How many annexes to the Treasury building are there?

Mr. LUDLOW. We have the Winder building, the Cox building, the Butler building, the Union building, the Star building, the Munsey building, and the E street files building. We have only one wagon, as I say, one team, to do all this work between those various buildings.

Mr. BINGHAM. That comes under the appropriation you have just asked for?

Mr. LUDLOW. Yes, sir.

Mr. BRICK. Do you use this for the purpose of carrying the files backwards and forwards?

Mr. LUDLOW. It will enable me to hire a team if necessary. I do not want to buy a team, but to hire one if necessary, when occasion demands.

Mr. BINGHAM. Where is the estimate?

Mr. LUDLOW. On page 120.

Mr. BINGHAM. I see the verbiage there, but I do not see the estimate, or rather the reasons for the estimate.

Mr. LUDLOW. That is the fault of the Committee. It is in the regular Book of Estimates. There it is [submitting Book of Estimates].

Mr. BINGHAM. You ask for \$1,000?

Mr. LUDLOW. Yes, sir. I do not know how much we will use of it. We are very careful of these appropriations. If there is a surplus it will be turned back.

PURCHASE AND EXCHANGE OF NUMBERING, ADDING AND OTHER MACHINES.

Mr. BINGHAM. Why do you ask for the next item, "For purchase and exchange of registering accountants, numbering machines," and so on? Have you any deficiency in the item for registering accountants?

Mr. LUDLOW. No.

Mr. BINGHAM. Why do you double it?

Mr. LUDLOW. On account of the increased demand on the Department for registering machines and numbering machines and labor-saving devices of that kind. I have a dozen requisitions in my office now that I cannot fill.

Mr. BINGHAM. Is there any change of system that makes it necessary to fill those requisitions?

Mr. LUDLOW. Yes; this new system recommended by the Keep Commission.

Mr. BINGHAM. That means new machines or new employees?

Mr. LUDLOW. New machines; and as I say, I have a dozen requisitions now in my office that I can not fill. They are great labor-saving devices. The odd appropriation, \$2,590, has been the same for a number of years, but when the Department of Commerce and Labor was organized, a part of the bureaus of the Treasury Department were taken over, and it was concluded that for the service of that year this sum would be sufficient, and it has been carried right along that way; but it is not sufficient for the needs of the service.

Mr. BINGHAM. Why? Do you mean to say that this new system of book-keeping will double your expenditure under this item?

Mr. LUDLOW. I think it will. This matter of the assembling of disbursing officers' checks, you know; every check of a disbursing officer in the United States has got to come back for audit with the account.

Mr. BINGHAM. All it needs is one additional stamp, one hit?

Mr. LUDLOW. No. They will have to verify the abstracts. They will have to recount them all.

Mr. BINGHAM. But the only additional thing to the service is the check?

Mr. LUDLOW. Yes.

Mr. BINGHAM. But it requires only the additional stamp?

Mr. LUDLOW. Yes, but it requires the addition of a great many machines to these different bureaus.

Mr. BINGHAM. You furnish to all the Auditors?

Mr. LUDLOW. Every one but the Sixth Auditor. He has an appropriation for contingent expenses of his own.

PURCHASE OF CARPETS.

Mr. BINGHAM. As to the purchase of carpets, you hold the same estimate?

Mr. LUDLOW. No; we have asked for an increase there of two thousand dollars. Carpets have increased 35 per cent in cost in the last few years. That amount is not too much for the Treasury building and its annexes. You know we have, besides the Treasury building, the Cox, Winder, Butler, Munsey, Star, and Union buildings. We have to supply all those.

Mr. BINGHAM. Do you know how long you use a carpet in your Department?

Mr. LUDLOW. Yes; in a general office about 4 years. In the smaller offices occupied by clerks six or seven years.

PURCHASE OF FURNITURE, ETC.

Mr. BINGHAM. The next item, for purchase of boxes, book-rests, chairs, and so on, includes the new language, "for replacing other worn and unserviceable articles." You want an increase there from ten thousand dollars to fifteen thousand dollars. Are there any special reasons there, beyond your general reasons there expressed?

Mr. LUDLOW. No.

Mr. BINGHAM. You simply say you need more wardrobes and cabinets and washstands and things. You say the increase is to replace general articles. Why does not that run generally? If you replace a cabinet it is because it is unserviceable?

Mr. LUDLOW. Yes; and new articles of like character have to be constantly supplied.

OFFICE OF CHIEF CLERK, TREASURY, SUPERVISORY CONTROL OF ALL FEDERAL BUILDINGS.

STATEMENTS OF MESSRS. J. E. WOODWELL, LLEWELLYN JORDAN, AND P. L. DOUGHERTY, REPRESENTING THE OFFICE OF CHIEF CLERK AND SUPERINTENDENT.

Mr. BINGHAM. Is it your purpose to entirely reorganize your division of work that you are now doing in connection with your Department?

Mr. WOODWELL. The intention, Mr. Chairman, is to extend the work now performed, to increase the facilities for carrying on the

work heretofore accomplished along that line. It is not in a strict sense, I should say, a reorganization, in that it simply involves titular changes in the first two positions named, and in a third position also.

Mr. BINGHAM. Then you do not propose a reorganization of the system, or an increase of force, or a change with relation to the work done, with an increase of compensation?

Mr. WOODWELL. It involves an increase of force, with titular changes in present positions.

Mr. BINGHAM. This \$2,500 increase creates a new office?

Mr. WOODWELL. Yes; a new position.

Mr. BINGHAM. I mean in your subordinate force?

Mr. WOODWELL. Yes.

Mr. BINGHAM. Do you increase it at all in any of your proposed changes?

Mr. WOODWELL. Yes. We create three new positions. The first is a supervising inspector of public buildings——

Mr. BINGHAM. How has that been done before?

Mr. WOODWELL. That has not been done except through details of the chief engineers. At present we have no field force to collaborate with the administrative officers in Washington.

Mr. BINGHAM. Do you change your system or line of work in any way?

Mr. WOODWELL. We increase its usefulness, and extend the scope of the work.

Mr. BINGHAM. Have you found any serious weakness in your administration, because of which you propose this seemingly necessary increase?

Mr. WOODWELL. We have not been able to effect the economies we are certain we can accomplish by the increases requested.

Mr. BINGHAM. Is that distinctively administrative, or is it largely in the sense of examination?

Mr. WOODWELL. It is supervisory in every respect; a personal supervision and direction of the work accomplished.

Mr. BINGHAM. How many people do you increase for personal supervision?

Mr. WOODWELL. We have three new positions estimated for.

Mr. BINGHAM. How many have you on the force which now performs the work of supervision?

Mr. WOODWELL. We have the benefit of those now in the office of the chief clerk in the way of clerical force, but in the way of technical supervisory positions we have an inspector of electric plants, and an assistant inspector of electric plants, and an accountant.

Mr. BINGHAM. Now you want three more?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. Your increases of salaries are what?

Mr. WOODWELL. They appear in the estimate. The present salary paid for the inspector of electric-light plants, gas, and fixtures for all public buildings under the control of the Treasury Department is \$2,250. An increase is requested to \$3,500 for that item.

Mr. BINGHAM. You ask for an engineer in chief of all public buildings under control of the Treasury Department at \$3,500 in lieu of that inspector of electric light plants, gas and fixtures? In other words, from \$2,250 you increase your office by change of name and alleged larger scope of supervision to \$3,500?

Mr. WOODWELL. Yes.

Mr. BINGHAM. Now go to page 81: "Assistant inspector of electric light plants and draftsman, \$1,800." You want that taken out, and you want an "assistant engineer in chief of all public buildings under the control of the Treasury Department" at \$3,300?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. In lieu of that other?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. Now you want "one supervising inspector of maintenance and operation of the mechanical and electrical equipment of all public buildings under control of the Treasury Department" at \$2,500. That is new?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. Also "one mechanical and electrical draftsman" at \$1,600. That is new?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. And "one technical accountant and cost analysis clerk, \$2,100." That is new?

Mr. WOODWELL. No, sir; but we ask for one additional clerk.

Mr. TAWNEY. It is a general clerk, however, but they want a typewriter for this particular force.

Mr. BINGHAM. You retain the gentlemen who are now on the force?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. You increase the salaries of all of them?

Mr. WOODWELL. Of the three named; yes, sir.

Mr. BINGHAM. Your proposition is to increase the salaries of all of them?

Mr. WOODWELL. It is.

Mr. BINGHAM. Then you ask for three additional?

Mr. WOODWELL. Yes, sir. I might say that the technical accountant is dropped; that is, a clerk is dropped, and one of the clerks now serving as technical accountant simply has his title changed, so that that is not a strict addition or increase or creation of a new position. It is a substitution.

Mr. BINGHAM. Now assume that we gave you your proposed increases of compensation, and suppose we accept the dropping of one or two clerks and the substitution of others: Tell us exactly how we have increased or to what extent we have increased the usefulness of your line of work—the general usefulness.

Mr. WOODWELL. That is best shown by the work and results already accomplished with our present force. We have prepared a diagram which shows the cost of operation of 241 buildings occupied and in service in the fiscal year 1907, and have shown that the expenditures for fuel, lights, and water alone aggregated in that year \$570,000, approximately. By the supervising efforts and direction on the part of the force in Washington—this particular force to which I have already referred—a saving of \$92,000 has been made. That particular total of gross expenditures has decreased \$92,000.

Mr. BINGHAM. Within what time?

Mr. WOODWELL. Within ten years. But it is that much less each year now, as the direct result of this effort. The gross expense of office administration aggregated \$29,530, or a trifle over 1% of the total amount of the appropriations controlled at the present time.

Mr. BINGHAM. What connection have you with the office of the Supervising Architect?

Mr. WOODWELL. It is a distinct branch of the work. The Supervising Architect constructs the buildings and turns them over to the chief clerk for control. These savings which I speak of have been made in the face of well-authenticated instances of great growth of the service, including the elevator, heating, lighting, and power service. It has also been made in the face of an increase and steady rise in the price of coal from \$3.79 to \$4.04 per long ton in 1902 and up to \$4.37 per ton for 1907, so that the gross savings are very much larger than those indicated by these results. I would also direct your attention to one or two particular instances or concrete examples—

Mr. BINGHAM. Your line of work is along a line of specialty, or is it the general accounting or administrative work of your Department? Is it simply a matter of accounts?

Mr. WOODWELL. It is of a skilled character, highly technical in its work and details. It involves cost analysis and accounting, but those are only tools at hand with which the results are accomplished. It requires a strict technical knowledge of all the allied branches of engineering, steam, electricity and elevator service, and heating, lighting, and ventilating.

Mr. BINGHAM. Is it in the nature of accounts or examination as special agents? You speak of a large number of buildings. Do any of your subordinates know anything about the buildings, as far as their construction is concerned?

Mr. WOODWELL. Yes, sir. From frequent inspection we have familiarized ourselves fully with the larger and more important buildings. It would be impossible to cover the entire territory with the present force.

Mr. BINGHAM. Do you have anything to do with those buildings in a physical way?

Mr. WOODWELL. We pass upon all the expenditures and direct the policy of operation by which the engineers locally manage these plants. There are 164 engineering positions in these various buildings, and altogether, including firemen, 600 positions. There are 600 positions, all told, of a technical character in these buildings.

Mr. BINGHAM. Are they appointed from the civil service?

Mr. WOODWELL. Yes; through the civil service.

Mr. BINGHAM. Have you anything to do with them, as to their appointment or continuance or removal?

Mr. WOODWELL. We have to do with their entering the service. We approve the selection after nomination is made through the custodian of the buildings.

Mr. BINGHAM. That is *pro forma*. You have no direct relation with the buildings physically in the work of inspecting, seeing, or examining, or anything of that character? In other words, you are accountants, are you not?

Mr. WOODWELL. No, sir. We are engineers in a professional sense; supervising engineers.

Mr. BINGHAM. But you make no inspection of the buildings that you supervise?

Mr. WOODWELL. We are constantly making inspections where we find it necessary to make such a personal examination of the premises as will result in saving what we desire to accomplish in a particular case. We are constantly on the watch.

Mr. GILLETT. Who is the head of this department?

Mr. WOODWELL. The chief clerk and superintendent. This is a branch of the chief clerk's office; the technical branch of the work.

Mr. GILLETT. Who are to fill these positions? Or don't you care to say about that?

Mr. WOODWELL. You refer to the new positions?

Mr. GILLETT. I want to find out whether it is a promotion, or somebody from the outside.

Mr. WOODWELL. We have, in a strict sense, no one in mind. When the time comes to fill the positions we would consider first the qualifications of those in the service, of course, those who are worthy of promotion and deserving, and who might fill the positions proposed, perhaps, better than outside parties.

Mr. GILLETT. Has the chief clerk the chief power in deciding on the operation of all these buildings?

Mr. WOODWELL. In a nominal way. He is also chief clerk of the Department, and has very large duties in that capacity, which require the major part of his time.

Mr. GILLETT. But in addition to that is he the executive officer who has control of all the Treasury Department buildings?

Mr. WOODWELL. Yes, under the Secretary.

Mr. GILLETT. Which Secretary?

Mr. WOODWELL. The Assistant Secretary, Mr. Winthrop.

Mr. GILLETT. So that these appointments will all be practically under the chief clerk?

Mr. WOODWELL. Yes, in a nominal way.

Mr. GILLETT. What I want to get at is, who is the responsible person now for all this. You say savings have been made. Is it the chief clerk's administration that has done it?

Mr. WOODWELL. No, sir. The principal savings referred to here are the results of the work of the technical office, pure and simple.

Mr. GILLETT. But you say that is under the chief clerk, so that he is the one who is the responsible party and the party who would be held liable in case of failure, and who should be credited in case of success?

Mr. WOODWELL. Yes, in a large measure he should be. Of course the incumbent of that office has changed.

Mr. GILLETT. How recently?

Mr. WOODWELL. Within three years.

Mr. GILLETT. Have you gentlemen been there practically ten years?

Mr. WOODWELL. Yes, my term of ten years expires this month.

Mr. GILLETT. What is your position?

Mr. WOODWELL. Inspector of electric-light plants.

Mr. GILLETT. What are your duties?

Mr. WOODWELL. We supervise the operation of all these buildings. We do that largely through the medium of reports of chief engineers of the various buildings. They come to us and are examined and analyzed, and directive policies are thus established which lead to changes in the management locally. The buildings are in the control of their custodians and local engineers, and over them there must be a supervising force to keep abreast of the times.

Mr. GILLETT. You mean the post-office buildings?

Mr. WOODWELL. Yes.

Mr. GILLETT. Most of them are small and do not require a great deal of executive supervision and ability.

Mr. WOODWELL. The responsibility in the aggregate is great.

Mr. GILLETT. I will agree to that.

Mr. WOODWELL. Every year it is necessary to make contracts for gas and electric service in these buildings.

Mr. GILLETT. With the local companies?

Mr. WOODWELL. Yes. We issue blanks on which these proposals are made. These proposals then come to us for examination and report as to acceptance, and it is necessary to decide in a given case whether gas or electricity will be preferable, and we have the supervision of all expenditures as to these technical items, involving over a million and a half dollars annually. Our savings have been made largely by our efforts in securing competition between local companies and in securing other advantages to the Government.

Mr. TAWNEY. You are the chief electrician now, or inspector of electrical appliances?

Mr. WOODWELL. Yes. But the responsibilities and duties are those of a chief engineer of the service.

Mr. TAWNEY. You are the chief engineer of the service?

Mr. WOODWELL. Yes. The present title is that of inspector of electric-light plants.

Mr. TAWNEY. If Congress provides for this new position, the title of which is chief electrical inspector—

Mr. WOODWELL. Engineer in chief of all public buildings.

Mr. TAWNEY. What is the title you propose?

Mr. WOODWELL. "Engineer in chief of all public buildings under the control of the Treasury Department." The present title is inspector of electric-light plants.

Mr. TAWNEY. You occupy that position?

Mr. WOODWELL. Yes, sir.

Mr. TAWNEY. You do not travel around over the country in the exercise of your duties?

Mr. WOODWELL. Only as special occasion arises.

Mr. TAWNEY. Is it proposed now that the chief engineer shall go all over the country inspecting these different plants and making reports on them?

Mr. WOODWELL. No, sir. The supervising inspector, a new position, is supposed to perform those particular duties and travel.

Mr. TAWNEY. It will make one additional employee in the Treasury Department traveling all over the country and inspecting these public buildings?

Mr. WOODWELL. Yes, sir.

Mr. TAWNEY. You now have three whose duty it is to make these inspections and report to the Secretary of the Treasury?

Mr. WOODWELL. Yes, but they make them on different lines from this.

Mr. TAWNEY. It is supposed to include the inspection of mechanical equipment as well as any other part of the building, is it not?

Mr. WOODWELL. Only a man with experience and training in those matters can pass upon those particular subjects.

Mr. TAWNEY. All these buildings are under the control of an engineer, and under the control of the Treasury Department, as they would be under this proposed change?

Mr. WOODWELL. Yes, sir.

Mr. TAWNEY. In what way do you contend that this organization would effect greater economies than the present organization has been able to effect in the last ten years, of \$90,000?

Mr. WOODWELL. It is necessary to maintain what we have accomplished in the present buildings and extend this work to the new ones.

Mr. TAWNEY. Why can not the present organization continue to effect the same economies in the future that this organization that you now have has effected in the past?

Mr. WOODWELL. Because we are daily losing opportunities to make economies simply by lack of force to cope with the situations as they arise in the increasing number of buildings.

Mr. TAWNEY. To what extent would the chief engineer provided for in your estimate here control the selection of electrical appliances in new buildings or the replacing of the old with new electrical appliances?

Mr. WOODWELL. The Supervising Architect constructs and completes a building, and he then turns it over to the operating office, and changes in mechanical equipment are frequently made through our office. Structural changes, however, are exclusively under the control of the Supervising Architect.

Mr. TAWNEY. So that if the chief engineer provided for in your estimates here desires for any reason to change the electrical appliances in any building after it has been turned over to the chief clerk of the Treasury Department, it would be in his power to do it?

Mr. WOODWELL. He could so recommend, frequently to the advantage of the service.

Mr. TAWNEY. And if he could persuade those in control over the buildings, the change would be made?

Mr. WOODWELL. Yes. Many changes of that kind have been made to great advantage. The Chicago post-office is saving \$24,000 a year in cost of electric light on account of a change of that kind.

Mr. TAWNEY. The officer on whose report that change was made was detailed from the Department here, was he not?

Mr. WOODWELL. Yes. I spent a month in that work, and made recommendations of changes costing approximately \$1,000. Subsequently there was a decrease of annual expenditures amounting to over \$24,000.

Mr. TAWNEY. Could not that practice be continued in the future as it has been conducted in the past? When there is reason to believe that there is need of improvement in the appliances of any public building, could not some one from the Department here be assigned to go into that particular case and make an investigation and report, rather than continue a man on the road all the time inspecting plants to see whether or not changes were necessary?

Mr. WOODWELL. The force is not large enough at the present time to meet all these situations as they arise daily. We could today, if we had a field force such as is referred to here, available, effect many economies in the expenditure of the appropriations for fuel, light and water, and for assistant custodians and janitors.

Mr. TAWNEY. To what extent do you affect the purchase of fuel?

Mr. WOODWELL. All contracts are made under our supervision and on our recommendation. We have contracts for the present fiscal year in excess of 70,000 tons of coal at an average purchase

price of \$3.74. That price is lower than has been secured before for coal.

Mr. TAWNEY. That work was all done in the Department here, was it not?

Mr. WOODWELL. Yes, in the Department.

Mr. TAWNEY. It is not necessary to have a field force for matters of that kind when you can do them in the office here?

Mr. WOODWELL. We do require a field force with reference to plant management. We do require a supervising head to visit these buildings and supervise the work of the local engineers, and see that they are doing their duty, and to see that the plants are operating under the most efficient conditions. There is hardly a large building in the United States to which I could not go and save the expenses of the trip and also save my salary several times over, right over the heads of the local force. It has been done time and time again. We are satisfied, in the light of past experience, that men entirely competent get into a rut and need somebody to come along and suggest what has been done elsewhere that would be an improvement. They need somebody who is keeping abreast of the times to come in and point out specific savings.

Mr. TAWNEY. Do you not suppose that each one of the three other gentlemen who are now acting in the capacity of chief engineer could come here and say they could effect the same economies if it were proposed to wipe out their offices?

Mr. WOODWELL. The engineers in the local buildings have played a very important part in accomplishing these good results.

Mr. BINGHAM. Each public building sufficiently large has what you call a custodian?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. The wants and necessities of those buildings are estimated for each year?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. The custodian sends out inquiries or propositions to people in the line of trade covering the necessities of those buildings, and gets bids?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. Those bids come to you in the Treasury Department and to the chief of this bureau?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. You know nothing about the character of the individual bidders, so far as general integrity or administration of his work is concerned as a business man; you know nothing about that, but they simply send you their bids.

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. The law tells you to take the lowest bid?

Mr. WOODWELL. Not necessarily.

Mr. BINGHAM. Did you make inquiries, if there is any change or large deviation in the price?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. If he certifies to you that that is a standard article and he is recognized in the community as a reputable business man, and his is the lowest bid, you take his bid?

Mr. WOODWELL. Not necessarily.

Mr. BINGHAM. Does not the custodian in submitting his statement to you claim that his administration has been along the line of economy, and does he not endeavor to show that his administration has been along the line of economy?

Mr. WOODWELL. The custodian makes no report of his administration.

Mr. BINGHAM. He can make up an exhibit and show you wherein he has made a saving?

Mr. WOODWELL. It is very rarely done.

Mr. BINGHAM. Where do you come in, in the line of economy in your work?

Mr. WOODWELL. In relation to expenditures for fuel, lights, and water, and in the guidance of the decision of the Department in awarding these contracts. For example, in the matter of coal, to which you have referred, we buy coal on a basis which takes into account not only the price, but the quality and actual thermal value.

Mr. BINGHAM. But where do you come in, in your bureau here? You take the statement submitted to you by the custodian. Take the Philadelphia post-office building, for example, a great building: The custodian there submits to you the estimates for the next fiscal year. He submits to you what he needs for coal. The bids are put in for so many tons. He transmits the same to you. As a general rule you accept the lowest bidder, if he is a reputable merchant?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. Where does your element of economy come in, so far as your work comes in at all?

Mr. WOODWELL. In the first place, we outline to the custodian the manner in which he shall secure the bids. It involves the greatest study and detailed examination as well as knowledge of the proper business methods to apply in a particular case in order to secure the best results.

Mr. GILLETTE. Why will you need a larger field force? Referring particularly to the work of the inspectors at the Springfield public building, Massachusetts, for example?

Mr. WOODWELL. I would state that it is absolutely necessary to make a technical inspection with a view to making a particular inquiry into any technical subject in a large number of such buildings.

Mr. GILLETTE. What technical questions are there?

Mr. WOODWELL. Questions relating to the operation of the heating plants, and power and ventilating plants in those buildings, with a view to securing a higher economy in their operation and the annual expenditures for their maintenance.

Mr. GILLETTE. Why should not the local engineer know just as well how to economize about heating as the inspector whom you sent out?

Mr. WOODWELL. He may not be as practical a man. He may not be as familiar with the best methods as a technically-trained engineer would.

Mr. GILLETTE. He knows what heating apparatus he has got.

Mr. WOODWELL. Yes; but take a concrete example in the Chicago Federal building. Changes in that building were made at my direction over the head of the operating engineer. He, was a practical

electrician and engineer, but those changes resulted in the saving of \$24,000 a year in the expenditures for the operation of that building.

Mr. GILLETT. What changes were those?

Mr. WOODWELL. Those changes were in the wiring of the electric motors. They consumed power purchased from the local electric-lighting company in that place.

Mr. GILLETT. That change that you recommended ought to have been put in when it was installed, ought it not?

Mr. WOODWELL. Provision was made for power and motor equipment of sufficient capacity to furnish the service, but the whole apparatus had to be adjusted to its work to secure an effective operation, and the duty devolved upon the local engineer who supervised the operation.

Mr. GILLETT. When they were put in, ought not that to have been clear as to how they should be operated?

Mr. WOODWELL. That shows exactly the necessity for a supervising force in effecting these economies. The Supervising Architect may build a building, but he is looking out for the general needs of the service, and he is thinking particularly of furnishing enough heat and light and power and ventilation to meet the needs of the service, but he is not concerned especially with what it costs to maintain and operate the building.

Mr. GILLETT. Why not, the same as any other architect? He ought to be.

Mr. WOODWELL. He has not the data on which to build. It is necessary for the operating office to exercise that function, and to see to it that the items purchased for the annual maintenance are obtained under the most economical system.

Mr. GILLETT. You speak of "items purchased." What items except coal and gas and lamps are there in that connection?

Mr. WOODWELL. Oil and waste, and all that sort of thing.

Mr. GILLETT. Why does not the custodian, if he is the proper one to do it, know how to make a contract for the purchase of gas or coal just as well as the bureau in Washington?

Mr. WOODWELL. In the matter of securing proposals there are technical rates proposed by the various companies which require technical knowledge for their interpretation. I refer to gas and electricity. For example, a rate may be offered with several provisions relating to capacity charges, discounts, maximum demand features, etc. Unless the officer in charge of the building knows how much current he is going to use, he can not determine the price beforehand. It is necessary for the engineering officer to estimate how much current will be used.

Mr. GILLETT. He could determine that by his experience of the previous year?

Mr. WOODWELL. Not in the case of a new building. Then later, changes in the rate are offered, which in some cases represent flat rates or a lump sum for the fiscal year, as contrasted with a meter rate. That requires an investigation of the conditions to see which rate would be better for that particular service. In the case of fuel, I have a pamphlet here which I would like to introduce, bearing more particularly on that subject; and I would like to say right here that this Department and our office established a precedent in the Government service in the use of a plan which has since been

adopted by other Departments of the Government in the purchase of coal. Without being egotistical about it, I may say that this plan was conceived in my office. It has been in operation about six years, and it has resulted in large economies in that particular direction. In order to accomplish these results it has been necessary to outline a method of securing proposals and to make advance tests beforehand, and to make certain that the coal offered by the bidders was a satisfactory coal as compared with other coal offered at other prices, or possibly offered at the same price, so that before making an award the Government is guided by technical tests.

Mr. GILLETT. You mean that after this, all who make contracts will do it under this system?

Mr. WOODWELL. Yes, in general.

Mr. GILLETT. I admit what you state gladly; I admit that you perhaps have introduced great reforms and improvements, and your system is exceedingly useful; but after all, is not that a question of personality, and not a question of administration? It might happen under some other administration, if you gentlemen were not here, that different men in the different places would do better than the bureau here in Washington does. In the one case the bureau would be better, and in the other the custodians might be better. It seems to me we are simply multiplying offices by having a bureau here in Washington inspecting and supervising what is really the duty of the local people to do, and although in this instance the people in Washington here may now be doing it better, still at other times the outside people might be doing it better, and in that case yours would be a permanent force to do in duplex the same thing.

Mr. WOODWELL. I should say that this force is exactly identical, or similar to that in other services. Take the Revenue Cutter Service, for example. The engineer in chief is in charge of the operation of the various vessels and the management of machinery, and so on; the engines and boilers, and so on, while the Steamboat Inspection Service covers a similar field. Irrespective of any personalities in this matter, we have the interest of the public service at heart in making these recommendations of positions to be created. We believe that it is absolutely necessary to pay such salaries in order to secure in the future the continued work that we have been trying to put forth for eight or ten years; and that without such advance you cannot secure the services of technically-trained men who have years of experience and who can bring to that work the breadth of professional understanding and view which is necessary to the supervision of work of this technical character.

Mr. GILLETT. Still my idea is that you do not seem to need the increased force.

Mr. WOODWELL. That field force is necessary to act in a directive way over the practical engineers in local charge of the buildings. We have only 14 engineers in the various buildings of a strictly skilled character. They have entered the service as a result of competition, as a result of competitive civil service examinations, it is true; and we do rely in great measure upon the work of these men. We sometimes send them to other smaller buildings to make inspections and recommendations; but we need a supervising engineer to travel from one building to another. The man in Boston does not know what economies have been accomplished in New York, and *vice versa*, the

man in New York may be totally unacquainted with results that have been obtained in Boston. When you establish these new positions, you will institute a certain economy. We need a practical man to compare the work done in this plant or that or the other, and to say to the engineers as a result of personal investigation, "I would advise that you make at once a change in the operation of your plant or advise a change in fuel," and to make a recommendation to the Department along that line.

Mr. GILLETT. Does this apply to the small cities?

Mr. WOODWELL. The smaller ones, where the buildings are sufficiently large to justify the inquiry; yes.

Mr. GILLETT. How many buildings do you think are big enough to require such supervision?

Mr. WOODWELL. There are about sixty of sufficient size to warrant that. If we had a supervising inspector making one visit in a week, it would still take him the whole year to get around.

Mr. GILLETT. Would my city of Springfield, Massachusetts, be one of them?

Mr. WOODWELL. That would be just about on the line. As to the building in Springfield, Mr. Dougherty has a statement showing the reduction effected in the cost of electricity as the result of our individual efforts.

Mr. GILLETT. I am interested in that, but I can see you later about it.

Mr. DOUGHERTY. It is a good illustration of what we have accomplished. In the fiscal year 1901 the total cost of lighting service in that building was \$1,377, while in the last fiscal year, 1907, the cost was \$1,033. During that entire period, between those dates named there was, generally speaking, a decrease year after year.

Mr. GILLETT. How does that prove anything? Of course the price of electricity may have gone down in Springfield.

Mr. DOUGHERTY. The price was 9 cents a kilowatt hour throughout the entire period without any change whatever, despite the fact that we installed from time to time additional lights for additional equipment; and it was all done by buying lamps of higher efficiency and consuming less electric current.

Mr. GILLETT. How do you prove that my custodian would not have done it just as well himself as if directed from Washington? You know, improvements are being made all the time, and economies are being made. I do not see that you prove that you did it, merely by your stating the fact that it was done.

Mr. DOUGHERTY. In the matter of lamp supplies, the custodian has nothing to do with it. Those supplies are purchased under a general contract for all the public buildings.

Mr. GILLETT. That does not require any field force, then.

Mr. BURLESON. You purchased them here and sent them everywhere?

Mr. GILLETT. That is what we should expect—the natural improvement year after year in the reduction of cost. That does not prove the value of your project.

Mr. DOUGHERTY. In that building the necessity does not exist there, but it applies to larger buildings, to the number practically stated by Mr. Woodwell.

Mr. WOODWELL. The point is, Mr. Gillett, that we indicate to these custodians in a detailed way, accompanied by detailed directions and specifications as to how these changes shall be made, and we frequently outline to them methods as a result of our technical investigations and study in other buildings. We indicate to the custodian just what he shall put in, in the way of equipment. In the case of Springfield we have indicated to him the use of certain kinds of lamps and reflectors, and an equipment distributed in such and such a manner. Without that he would have had no technical guidance whatever.

Mr. GILLETT. The custodian at Springfield is the postmaster. He would look after all those things.

Mr. WOODWELL. In a business way the custodians do cooperate with us in every possible way, but we are a technical staff exercising a supervisory direction over the general policies as well as the details of all these buildings. I want to allude to one more feature, if I may.

Mr. GILLETT. Go ahead.

Mr. WOODWELL. I refer to the character of our positions as compared with those immediately under us.

Mr. GILLETT. What is your position and salary now?

Mr. WOODWELL. My position is that of inspector of electric-light plants.

Mr. GILLETT. What is your salary?

Mr. WOODWELL. \$2,250 a year. We have two engineers, located in New York in the court-house and post-office, and in the Chicago Federal building, having salaries of \$2,500. We have in New York a supervising engineer or a chief engineer and superintendent, more exactly, who receives his salary from three different appropriations, amounting to \$3,400.

Mr. BINGHAM. They are under the custodians' direction for the administration of public buildings?

Mr. WOODWELL. Yes, sir.

Mr. BINGHAM. They are the actual persons in charge of the buildings?

Mr. WOODWELL. They are in local charge. While these parties are in local charge, all the policies which were established for the operation of their plants are directed from Washington, and the custodians themselves, as I have already stated, have only a nominal charge. In only a few cases are there exceptions, and Philadelphia, Mr. Bingham, if I may interrupt you, is one of the exceptions where we concede effective administration under the local officials, and we have reports to show that those men have made very large savings, and they are entitled to particular credit in their work; yet at the same time we have made that work possible by co-operating with them in every way.

Mr. JORDAN. They took our advice on many points.

Mr. BRICK. What appropriations are those from which those three salaries you speak of are paid to that official in New York?

Mr. WOODWELL. One is under the control of the Supervising Architect of the Treasury, and one under the control of the Department of Commerce and Labor.

Mr. BRICK. That is two. What is the other one?

Mr. WOODWELL. The other one is under the pay of assistant custodians and janitors in public buildings. The other two are under the

control of the Supervising Architect and the Department of Commerce and Labor.

Mr. BRICK. What does he get?

Mr. WOODWELL. \$2,900 from the two appropriations under the control of the Treasury Department and \$500 from the Department of Commerce and Labor.

Mr. JORDAN. That gentleman is directly under the supervision of Mr. Woodwell, so far as the actual operation of his plant is concerned.

Mr. BURLESON. What position does he hold?

Mr. WOODWELL. Chief engineer and superintendent of repairs of the public buildings in New York.

Mr. JORDAN. That state of affairs is made possible by reason of the fact that this gentleman is paid out of a lump sum appropriation. It is not a statutory salary, as Mr. Woodwell's salary is. That official is paid a lump amount out of each of these appropriations, which can be increased as the head of the Department sees fit.

Mr. WOODWELL. In the Government Printing Office a salary of \$3,600 is paid to the Superintendent of Purchase and Supply—items required in connection with the Government Printing Office only.

Mr. GILLETT. Is that a lump sum appropriation?

Mr. JORDAN. Yes. We control between us the appropriations for fuel, lights and water in public buildings, and the pay of assistant custodians and janitors, approximately three million dollars, all told.

Mr. GILLETT. What do you mean by "we"?

Mr. JORDAN. I mean the technical staff existing, consisting of these two gentlemen and myself and a stenographer.

Mr. WOODWELL. The engineer in chief of the Revenue-Cutter Service receives a designated salary of \$3,250, with longevity pay added.

Mr. BURLESON. I suppose you had better submit that entire memorandum for the record. Maybe there are certain salaries there that we would like to revise. [Laughter.]

Following is the statement referred to:

SALARIES.

Government Printing Office:	
Superintendent of Purchase and Supply	\$3, 600
Bureau of Standards:	
Physicist	4, 000
Chemist	4, 000
Navy Department:	
Civil engineers (4)	3, 500
Electrical engineer	5, 000
Reclamation Service:	
Chief engineer	4, 800
Supervising engineers (1)	4, 800
Supervising engineers (2)	4, 500
Supervising engineers (3)	4, 200
Supervising engineers (1)	4, 000
Consulting engineers (6)	4, 000
Chief electrical engineer	3, 000
Geological Survey:	
Chief of the Technologic Branch	4, 500
Chief engineer Technologic Branch	4, 000
Engineer in charge of smoke abatement	3, 600
Geologist (2)	4, 500
Revenue Cutter Service:	
Engineer in chief	3, 250+

Post-Office Department:

Chief Inspector.....	\$4,000
Purchasing Agent.....	4,000
Inspectors (15).....	3,000
Assistant General Superintendent.....	3,500
General Superintendent.....	4,000

War Department:

Assistant Engineer.....	.....
Engineer Department at Large, N. O.....	3,600
Engineer Department at Large, Duluth.....	3,600

Mr. JORDAN. There are also some points, Mr. Chairman, that we would like to submit to you with reference to these charts. (Submits charts.)

Mr. BINGHAM. Congress appropriates in accordance with the growth of the service. But there is nothing in your estimates to-day to show that by operating under this change, or by increasing your authority in the matter of details, an increase should be made of the appropriations extending your line of work, save what is called "furniture," as I understand, which is in the last act for the current year. Your work in connection with the chief clerk and superintendent of the Treasury Department heretofore has been in effect the same every year. Now you are asking for a radical change, involving increase of force and an increase of salaries and additional authority, all of which can be met with the objection that it would be new law, new legislation. What you have saved and what good work you have done in the past is all right. It has been good work, no doubt. But you radically change, or seek to change, the full line of your work.

Mr. JORDAN. No; we enlarge it. We absorb the minor details and make it larger. We are trying to change the titular designations to more nearly correspond to the duties actually performed.

Mr. BINGHAM. There is nothing in the performance of these duties that absolutely requires a change of designation?

Mr. JORDAN. Yes, sir. The present designations are not descriptive of the present or enlarged work which is within the broader scope of engineers.

Mr. BINGHAM. Let me ask you this question: There are three distinct beneficiaries under your proposition of a change: One from \$2,250 to \$3,500. Another from \$1,800 to \$3,300. Then you ask for one supervising inspector of maintenance and operation of the mechanical and electrical equipment of all public buildings under control of the Treasury Department, and you give him \$2,500, and you add one mechanical and electrical draftsman at \$1,600, and one technical accountant and cost analysis clerk at \$2,100. Who are the individuals who will be the beneficiaries of these changes?

Mr. JORDAN. Mr. Woodwell is at present inspector of electric-light plants, and he receives \$2,250.

Mr. BINGHAM. And he is recommended for \$3,500?

Mr. JORDAN. Yes. This other gentleman is Mr. Proctor L. Dougherty, who at present is assistant inspector of electric-light plants and draftsman, receiving a salary of \$1,800, and we ask for him an increase to \$3,300.

Mr. BINGHAM. Who is the other?

Mr. JORDAN. That gentleman, referring to the supervising inspector, is not in the service at the present time.

Mr. BINGHAM. You only ask for the designation?

Mr. JORDAN. Yes. In addition there is an increase of salary and a change of designation of a fourth-class clerk to that of a technical accountant and cost analysis clerk. That title more nearly corresponds to the duties that that particular individual performs at the present time, and comes under the same category of change of designation as that in regard to the inspector and engineer respectively. What we wanted to make clear to the committee, without taking up too much of its time, was—

Mr. BRICK. In the change of that third man, what is the increase you ask for him?

Mr. JORDAN. An increase of \$300, from \$1,800 to \$2,100. That, gentlemen, is the regular salary that would be paid under the so-called Keep reorganization-plan salary basis.

Mr. BINGHAM. Has your Secretary adopted that part of the Keep scheme?

Mr. JORDAN. I am not posted as to that.

Mr. BINGHAM. Have you been instructed to adopt the Keep scheme in your recommendations for increases and promotions?

Mr. JORDAN. No.

Mr. BINGHAM. Then we do not have it before us, and so far as we understand, the Secretary has not yet approved the Keep scheme.

Mr. BRICK. Do these other two increases follow the Keep scheme?

Mr. JORDAN. That is to the extent that those salaries were assimilated under the Keep scheme. The Keep Commission has never stated in specific terms what a technical man should receive as compensation. They left that to the heads of the respective Departments, to assimilate as nearly as possible the salaries that may be paid to those so-called technical gentlemen, and the Assistant Secretary in the selection of these particular salaries had in mind what the Keep Committee might recommend for similar positions with respect to the Treasury Department. That is true, I might say, of all three in a sense. In the Keep Committee report \$3,500 for an engineer in chief and \$3,300 for an assistant engineer in chief are not in specific terms provided for, but—

Mr. BRICK. But they are in harmony with the Keep Commission scheme?

Mr. JORDAN. Yes, sir.

Mr. BRICK. And the titular changes—do they follow the recommendations of the Keep plan?

Mr. JORDAN. Inferentially they do, but the change has been dictated and suggested by the absolute necessity of changing the title to one that will more nearly express the character of the duties performed. It was a misnomer ever to call these gentlemen inspectors and assistant inspectors of electric-light plants, because that is a mere incident of the work they do, and not the principal part of their work.

Mr. BINGHAM. The mere misnomer, so far as I am concerned, does not impress me as a strong argument. The necessity for the enlargement of your lines of work is one point, and the other is the necessity of increased compensation. The mere special verbiage does not amount to anything, to my mind.

Mr. BRICK. The enlargement of your scope follows the Keep scheme?

Mr. JORDAN. Yes.

Mr. DOUGHERTY. I want to add a word on the jurisdiction that the inspector of electric-light plants has had in the past. In 14 large buildings are electric plants to generate electric current for light and power purposes in those buildings. Naturally the supervising officer at the head of that service, located in the bureau here at Washington, should be called an engineer in chief rather than an inspector of electric-light plants.

Mr. BINGHAM. Why engineer? That is a very general expression. That is about as big a word as you can find in the English language.

Mr. DOUGHERTY. Because he has been trained as an engineer before he came into this service, and he has jurisdiction over 14 chief engineers in the buildings named, as well as all others.

Mr. JORDAN. One of whom is this high salaried official referred to.

Mr. DOUGHERTY. I wanted to make clear to you that line of authority and jurisdiction, if I may say so—

Mr. WOODWELL. It is a matter of government. We have a chief engineer in each of these buildings. It is necessary that there should be a man at the head under a title conveying authority from whom these engineers can receive orders along engineering lines and direct a force numbering 600 positions all told—

Mr. DOUGHERTY. In 444 buildings at present, with a contemplated increase making it 600 buildings.

Mr. BINGHAM. That you have supervision of?

Mr. JORDAN. Yes.

Mr. BINGHAM. And the supervision runs through your indication to the custodian, and that custodian may be a collector or a postmaster?

Mr. JORDAN. Yes.

Mr. BINGHAM. I was custodian myself of the public building in Philadelphia when I was postmaster in Philadelphia.

Mr. JORDAN. When we are directing the operations of engineers and assistant engineers in these buildings, it does not correspond with the requirements of the service to have men of the title of inspector of electric-light plants formulating policies for the administration of affairs and details of a technical character in these respective buildings under local *engineers*. Now the purpose of this contemplated change is to harmonize it with what already exists in these buildings; in fact all of them.

Mr. BINGHAM. Do you harmonize by increasing the compensation for the same men?

Mr. JORDAN. It is contemplated that these men will receive an increase of compensation in the Sundry Civil bill; Mr. Woodwell and his associates have worked out a plan which will be presented at the proper time, in connection with the Sundry Civil bill, which contemplates the increase of salaries of the engineers in the respective public buildings, including Philadelphia. We have gone over that in great detail, so that the committee may be fully advised as to each individual feature regarding that part of the work.

Mr. WOODWELL. We have had great difficulty in holding practical technical men at the salaries paid in these buildings. We have had this year 6 vacancies in important buildings. We are gradually filling them from the civil service.

Mr. BRICK. In what cities?

Mr. WOODWELL. In Chicago, Cincinnati, and St. Louis, etc.

Mr. BRICK. What titles did they have?

Mr. WOODWELL. Chief engineers.

Mr. BRICK. Why did they go away?

Mr. WOODWELL. Because of the inadequacy of salary.

Mr. BRICK. What did they go into?

Mr. WOODWELL. Our chief engineer in St. Louis became the engineer of the board of education in St. Louis at \$4,000 salary a year. He was the best man we had in the service. We relied upon him to travel about in the immediate vicinity of his headquarters in St. Louis.

Mr. BRICK. How about the other places?

Mr. JORDAN. Chicago is another place. Mr. Folsom, receiving \$1,800, resigned his place because we could not pay him more salary. In order to get a competent man to replace him we had to pay him \$2,500 to take care of that building.

Mr. BRICK. Is that true of the other places?

Mr. WOODWELL. One vacancy occurred by death.

Mr. JORDAN. If you consider our proposition favorably we will guarantee to save ten dollars for every dollar you add to the office expense. We have the interest of the service at heart.

STATEMENT OF HON. GEORGE B. CORTELYOU, SECRETARY OF THE TREASURY.

Secretary CORTELYOU. Mr. Chairman, in connection with the testimony you have just listened to, I would like to file with you a brief which attaches to some of the matter about which you have just made inquiry. It shows the growth of the service over which this supervision you have just heard of is exercised.

Mr. BINGHAM. Is it not largely clerical?

Secretary CORTELYOU. It is quite highly technical.

Mr. TAWNEY. Mechanical; that is what it is.

Secretary CORTELYOU. No, I differ with you as to that.

Mr. TAWNEY. And it also relates somewhat to business methods.

Secretary CORTELYOU. It relates to an important feature of this matter, and this is cost-keeping, and that we are trying to get established in all the Departments. By getting it in proper shape we shall doubtless save hundreds of thousands of dollars. That is one of the features in which the Departments have fallen short in the past.

Mr. GILLET. What do you mean by "cost-keeping?"

Secretary CORTELYOU. I mean by that to ascertain the cost of the work done by various bureaus and divisions, and also comparative statements, of course.

Mr. TAWNEY. Showing the units of cost?

Secretary CORTELYOU. Yes, sir. Now in this statement—

Mr. BINGHAM. With reference to these gentlemen who have just been heard, the estimated increase of compensation is startling.

Secretary CORTELYOU. But these men can not be kept in the Department unless they are paid more.

Mr. BINGHAM. Are they new men?

Secretary CORTELYOU. Comparatively new men.

Mr. GILLET. This man says he has been in the Department ten years.

Secretary CORTELYOU. I think he has not been in that position ten years. I think he has been recently assigned. These men, you will find, have been studying outside, and have been equipping themselves for higher work, technically.

Mr. BINGHAM. They are civil-service men?

Secretary CORTELYOU. I think so.

Mr. BINGHAM. When they were examined the compensation of these places was made notorious, was it not?

Secretary CORTELYOU. Yes; but these men belong to a class who have continued their studies while in office and have qualified themselves for higher and better work; and that thing has been going on continually in the Departments, and as the men become better fitted their pay should be commensurate with their work.

Mr. BINGHAM. They have nothing to do with the building or the supervising work under the authorizing act?

Secretary CORTELYOU. They have to do with the installation of electric-light plants and things of that kind. They would be called in for consultations.

Mr. BINGHAM. Is not that the only thing in which the Supervising Architect has not absolute control over the construction?

Secretary CORTELYOU. As to some of those details I would have to inquire.

Mr. BINGHAM. My impression is that heretofore this branch of your line of work has been simply administrative.

Secretary CORTELYOU. I thought it might be helpful to you gentlemen if this were filed. It is not long. It tells how the work is now done. It tells what this technical accountant would do, and it tells some of the results of the supervision we are exercising over these things, and then it goes into the matter of coal.

Mr. BINGHAM. We will make it a part of your remarks just as you give it to us.

Following is the memorandum referred to:

MEMORANDUM RELATING TO INCREASES IN SALARY AND NEW POSITIONS NOTED IN
ESTIMATES. (P. 34)

Growth of the service.—The increases in the number of buildings, cubical contents, valuation, and also the combined appropriations for Fuel, Lights, and Water for Public Buildings and Pay of Assistant Custodians and Janitors for the past ten years are shown on diagrams Nos. 1, 2, 3 and 4, as well as the total of administrative salaries paid for the same period.

The total administrative salaries, amounting at present to \$29,530, are a trifle over one per cent of the combined appropriation over which supervision is exercised, while with the increase in salaries requested for 1909, the percentage of administrative expense would be no more than 1.22, based upon the estimated appropriations for 1909.

This percentage increase is justified not only by the increase in the number of buildings to which it would be naturally apportioned, but by the fact that it is desired to increase the efficiency of operation and improve the management by the addition of new positions and the performance of work of a more skilled and technical character than it has been possible to undertake heretofore.

The plan embraces an organization designed to supervise not only the buildings now occupied, numbering 444, but properly to supervise such of the 199 new buildings appropriated for as will be placed in service in the near future.

Scope of work.—The duties of the present positions of the Inspector and Assistant Inspector of Electric Light Plants embrace in general the following:

(a) Supervision extending to all public buildings under control of the Treasury Department, including the engineering personnel, involving the establishment of the proper qualifications for the men with rates of compensation in the various posi-

tions as well as their promotion and transfer. The number of engineers, assistant engineers and other skilled employees is 164, and of firemen, 436, in all, 600 positions, the salaries for which in 1907 amounted to \$457,935.

(b) Supervision to secure the efficient and economical operation of the complete mechanical and electrical equipment in the various buildings, including electric light and power plants. This work is carried on largely through the medium of monthly technical reports prepared by the chief engineers and forwarded to the Department for examination and cost analysis. The directive policies of the office are based upon the results of such study and comparative analysis.

(c) Responsibility in connection with the expenditures relating to the items, fuel, light and water, and engineering supplies and tools, together with the installation of new electric light plants, or extensions thereof, and systems of electric wiring in occupied buildings.

This work involves the preparation of technical specifications for the purchase of supplies and materials and insures the proper execution of contracts.

The supervising duties and actual responsibilities are those of an Engineer-in-Chief and an Assistant Engineer-in-Chief.

Technical accountant, etc.—The duties of the technical accountant and cost analysis clerk are to tabulate and analyze the monthly cost reports of chief engineers, to institute methods of technical comparison of the costs of operation of the various buildings, to perform such technical accounting as is required in the purchase of coal upon a basis of payment corresponding to its thermal value as determined by tests and to prepare statistical information of all kinds.

Supervisory inspector (new).—(a) The duties of this position are intended to include periodic inspections of all of the larger buildings with reference to the maintenance and operation of the mechanical and electrical equipment in all public buildings and also the methods of administration employed by the personnel therein.

(b) Special investigations and inquiries into waste or extravagances made evident by means of the Departmental system of cost keeping and obtaining engineering data with a view to effecting improvements in the service.

Mechanical and electrical draftsman (new).—The duties of this position are intended to facilitate the drafting of plans and specifications for the modifications and extensions of plant and equipment required in the realization of the foregoing.

Clerk, class one (new).—The duties involve the clerical work pertaining to the positions described above.

Results of supervision.—On diagram No. 1 by curve B is shown the cost of fuel, light and water alone in 241 public buildings in each of the fiscal years, 1897, 1902, and 1907, these buildings being all of the total number in service in 1897 which were occupied under practically the same conditions throughout the succeeding nine years with the exception of extensions thereto and for which the figures have been corrected.

These figures show in the items mentioned a reduction of \$92,316, or a decrease of 16% in expense.

In 204 of the buildings in which coal was used exclusively, for fuel, throughout the ten year period, 43,061 tons were used in 1897; 41,438 in 1902; and 36,908 in 1907, the latter figure being corrected for extensions to buildings only, thus showing a net reduction of 6,153 tons (15.4 per cent) which, computed at the average price of \$4.373 paid for the lot of coal referred to in 1897, represents a saving of \$26,907 in the yearly expenditure for coal for this group of buildings comprising about one-half of those now in service.

Coincident with the reduction in quantity of fuel consumed, occasioned by supervision and improvements in boiler and electric plants, the average price of coal has steadily advanced from \$3.793 per long ton in 1897 to \$4.041 in 1902 and \$4.373 in 1907, so that a mere comparison of the gross expenditures for coal made during these same years in the group of 204 buildings amounting to \$163,344; \$167,452; and \$161,404, respectively, reveals but a small part of the saving actually accomplished.

The increase in the unit price of coal has, however, been materially lessened by the adoption of specifications involving the quality of coal expressed in thermal value as a basis of purchase. During the current fiscal year contracts are in force, involving the delivery of 76,050 tons of coal at a purchase price of \$284,092.50, or an average price of only \$3.735 per long ton. This plan of purchase moreover, involves an adjustment of the price actually paid to accord with the thermal value of the coal delivered so that the average price named above will be still lower when the contract accounts are finally settled.

Equally important economies have been effected in the utilization of gas and electricity for lighting service and here, as in the case of coal, the practical effect on the gross expenditure for these items has been masked by the growth of the service and lighting requirements occasioned not only by the great increase in number of occupants

of the building and the lengthening of hours of night lighting, but by the establishment, in the government as well as in private service, of higher standards of illumination.

The greater proportion of this saving already noted, was effected in a relatively small number of buildings over which it was possible to exercise technical supervision with the force available.

As illustrating one of a number of instances of large savings not included in the foregoing comparisons, accomplished by the methods it is intended to apply in a similar way to many smaller buildings, the case is cited of the Court House and Post Office, Chicago, Ill., in which the cost of electric current alone as shown by diagram No. 5 was reduced \$23,619 per annum.

Secretary CORTELYOU. When you reach such positions as those of the two gentlemen who have been in here, where we show that through them we save thousands of dollars, then we have a balance on the other side of the account, which it seems to me in the administration of the service should be taken into account.

Mr. BINGHAM. But we must be sure they do it.

Secretary CORTELYOU. We have the actual figures when we can show that a man goes to the Chicago building and the result of his work there is a saving of \$24,000 in a year. Then we have a balance that certainly off-sets his salary and his expenses.

Mr. BINGHAM. What is your official who is the custodian of that building? Is he incompetent?

Secretary CORTELYOU. He cannot possibly have the same technical qualifications that the man supervising the work would have. We do not pay these men salaries enough. Very often we have a public building with a postmaster as custodian, and he may receive a nominal sum in addition to his salary for his service as custodian; but sometimes he serves without increased compensation.

Mr. BINGHAM. He may have a subordinate who is really the active man. Take the case of the Philadelphia post-office, with which I am thoroughly familiar. Your custodian there is the Collector of Internal Revenue, but his chief clerk, the man who does the work, is supposed to be an experienced man. He comes immediately under your chief clerk's office.

Secretary CORTELYOU. That is very true, but the custodian does not have the facilities of a central office for the obtaining of information. Take this matter of coal, which all the Departments have collaborated upon. He has not the force sufficient to enable him to carry on the correspondence necessary, and with a central office here, with all sorts of information available, we have means of getting at things which these custodians in the various parts of the country cannot reach.

Mr. GILLET. Why, Mr. Secretary, does it not come back to the question of the individual? If you have a custodian at my little town in Springfield, for example, if you have a contract with the gas or electric light companies it is all right. If you have a man in Washington who is careful, you may save money. But if another administration comes in, they may have a better custodian around in a city, and a worse one here in Washington. Just at present, assuming that all this is true, you have men here who are more saving to the Government than the custodians are; but it does not seem to me that that would necessarily be permanent, or that it should be so permanently; we are piling up offices, and you cannot tell in the long run which would do the work the best.

Secretary CORTELYOU. Even looking at it from that point of view, the question is answered year after year, because in spite of a substan-

tial saving, such as we show this year because of the employment of the men, another year might show an increase of expense because of it, and that could be met by a curtailment of the force.

Mr. GILLET. I do not suppose these custodians will say that this economy is due to the office here, but rather to them.

Secretary CORTELYOU. There is no question but that the supervision has resulted in savings and in assisting the custodians in their work.

Mr. BRICK. I do not know where we have ever curtailed the force; Mr. Secretary. You say now that you sent a man to Chicago and he saved \$24,000. Why can not that be done now without any reorganization? What is the necessity of such changes as we are having here submitted, for the future?

Secretary CORTELYOU. I have left with the Committee a statement that goes into that matter very fully. We see what work on that line can be done. These men are specially qualified. They will not remain in the Department much longer unless we can make it of some advantage to them. However long they have been in the Department, as I say, they are men who have been continually qualifying themselves for better work and for better pay. You take the young men in the Department who go out and study one thing or another. They come back well fitted in that particular line, whether it is bookkeeping, or business methods, or electrical work, or anything of that sort; and a man may be getting \$1200 this year, and yet when he graduates from his technical school or other institution he is qualified for a different kind of work, perhaps, from that of the original position he was appointed to, on the salary he is now getting, and in my judgment, as I have already said before to the Committee, the men who have enough enterprise and ambition to push out and fit themselves for higher work must at some time be given increased compensation.

STATEMENT OF MR. JAMES K. TAYLOR, SUPERVISING ARCHITECT OF THE TREASURY.

Mr. BINGHAM. Mr. Taylor, Mr. Tawney desires to ask you some questions.

Mr. TAWNEY. Mr. Taylor, the Secretary of the Treasury has submitted an estimate here for an additional force, with certain increases of salaries, with regard to the technical men in the Treasury Department who have control of the mechanical appliances, engineers, and so forth, of all public buildings. Now, as I understand it, you also have a force in your bureau, the bureau of the Supervising Architect, covering that branch of work?

Mr. TAYLOR. Yes, sir.

Mr. TAWNEY. Will you explain just where the duties of your men begin and end, and where the duties under the chief clerk begin and end?

Mr. TAYLOR. We take the new buildings and construct them; that is, when the buildings are authorized, we design them, and our engineers put the heating plants into them. Then they are turned over to the chief clerk, and the chief clerk runs them. The chief clerk runs the maintenance of the buildings after they are built.

Mr. TAWNEY. In the last session of Congress was it not recommended that the duty of supervising the mechanical departments of

these buildings should be turned over also to the Supervising Architect's office?

Mr. TAYLOR. I do not think it went further than to the furniture, Mr. Tawney. I think only a Division of Equipment in our office was asked for. That carried with it the appropriations for furniture and gas fixtures.

Mr. TAWNEY. Is it possible for the men employed in your bureau to supervise the installation of mechanical equipment of public buildings, to continue that supervision after the buildings have been turned over to the chief clerk of the Treasury Department?

Mr. TAYLOR. I think it would be possible; yes, sir

Mr. BRICK. Would it be practicable?

Mr. TAYLOR. I have not looked into it, but I think it would be.

Mr. TAWNEY. The men you have who superintend the installation are technical men, and are sufficiently equipped by experience and the acquisition of technical knowledge to superintend the operation and maintenance of the buildings?

Mr. TAYLOR. Yes. They are all trained engineers. They could, if it was so arranged. But we have never taken up or looked into the work to do it that way.

Mr. TAWNEY. Could that be done in connection with their other duties without materially increasing the force you now have, to inspect installation and to supervise it?

Mr. TAYLOR. It would require a certain amount of increased force to do it, because at present our men are busy with the actual construction of the buildings. We would need a certain amount of increase of inspectors, and that sort of assistance, to give us the reports we ought to have.

Mr. TAWNEY. If the duty were imposed upon these men to-day to do this work, would not that avoid to some extent the duplication of the service?

Mr. TAYLOR. I would want to look into that, Mr. Tawney, before answering.

Mr. BINGHAM. Does the chief clerk and superintendent of the Treasury Department have anything to do with a public building until you report it completed under the authority of the act of Congress that builds it and under your general authority? Does he or his subordinates come in touch with that building at all?

Mr. TAYLOR. Not at all.

Mr. BINGHAM. Do you have any consultation with them?

Mr. TAYLOR. No.

Mr. BINGHAM. When you turn the building over, the matter of furniture, of which electric lighting is not a part, the equipment, as suggested by Mr. Tawney, runs in the Legislative bill, and when you turn that over, the supervision of the building runs to the regular administration, and the custodian communicates with his Department, and you notify them that the building is in their possession and ready for occupancy, and whatever they do then must be done wholly under the statute? If it gets out of repair, that is part of the work of the custodian?

Mr. TAYLOR. No; that comes out of us. The preservation and repair of these buildings, including the mechanical plants, are with our office.

Mr. BINGHAM. If anything gets wrong with the electricity you are notified?

Mr. TAYLOR. Yes, sir; we are notified.

Mr. BINGHAM. Is there any other exception?

Mr. TAYLOR. No; those two things, maintenance and repairs, and the vaults.

Mr. BINGHAM. But the custodian communicates with the chief clerk of the Treasury Department?

Mr. TAYLOR. No. He communicates directly with our office, or through the Secretary, and we do it. The inspectors of the chief clerk's office, the general inspector of the chief clerk's office, reports to him whatever repairs are necessary, and he sends us that report, and we do it.

Mr. BRICK. I want to ask a question. Does not the architect of the building have something to say as to where the electrical appliances shall be put in? Don't you or your assistants have something to do with the electrical appliances when you build a building?

Mr. TAYLOR. When we put a plant in we wire the building for electric lights. If the building is big enough, we put in a plant to furnish that light, and put in the heating apparatus, and fully construct the building to the outlets for the gas fixtures. Then the fixtures are put in by the chief clerk.

Mr. BRICK. He puts in the fixtures, but you put in the whole plant?

Mr. TAYLOR. Yes; except in old buildings. When they have sufficient money in fuel, lights, and water at the end of the year they put in a plant in an old building; but not in a new building.

Mr. BRICK. What does this inspector do about the coal?

Mr. TAYLOR. He attends to the running and maintenance of the plant.

Mr. BRICK. After you have said what it shall be and have put it in?

Mr. TAYLOR. Yes; and we do the repairs to it.

Mr. BRICK. And he buys the coal?

Mr. TAYLOR. Yes.

COLLECTING INTERNAL REVENUE. (Again.)

STATEMENT OF MR. HARRY GIOVANNOLI, CHIEF CLERK, OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE.

SALARIES AND EXPENSES OF COLLECTORS.

Mr. BINGHAM. We had the Commissioner of Internal Revenue here with us the other day. I think his letter covers what was wanted, so far as the paragraph for salaries and expenses of Collectors is concerned.

SALARIES AND EXPENSES OF AGENTS, ETC.

Now on the next, do you come in for any deficiency this year?

Mr. GIOVANNOLI. We do for agents and storekeeper-gaugers.

Mr. BINGHAM. You estimate without regard to your deficiency for the same amount as for the current year?

Mr. GIOVANNOLI. Considering the deficiency last year and for this year, we estimate for next year \$2,500,000.

Mr. GILLETT. That is for salaries of agents?

Mr. GIOVANNOLI. Yes, for agents and storekeeper-gaugers, etc.

Mr. BINGHAM. In that item on page 124 your appropriation was, for the current year, \$2,310,000, in addition to which you came and asked a deficiency of \$150,000 more?

Mr. GIOVANNOLI. Yes, sir. That would be \$2,460,000.

Mr. BINGHAM. Would you, operating as you are to-day, incur the same deficiency for the next year?

Mr. GIOVANNOLI. Yes; but we believe, with \$150,000 additional for the current year, and a total of \$2,500,000 for 1909, we will be able to avoid deficiencies the current year and the ensuing year, although it is difficult to estimate accurately in advance what the needs will be under this head.

Mr. BINGHAM. Your appropriation for the current year is \$2,310,000 and you estimated a deficiency for the current year. That would mean \$3,460,000. You ask now in addition to that \$40,000 more?

Mr. GIOVANNOLI. For 1909; yes, sir.

Mr. BINGHAM. Why?

Mr. GIOVANNOLI. Because we estimate that there will be an increased expenditure to the extent of \$40,000 necessary next year by reason of the growth of the service.

Mr. BINGHAM. What indicates an increase?

Mr. GIOVANNOLI. The gradual growth of the service warrants it. Last year, 1907, our withdrawals of distilled spirits were 11,000,000 gallons in excess of withdrawals for the prior year, and in addition to that we deposited 22,000,000 gallons in the warehouses more than in 1906. We estimate that the growth of the service will be at the same rate next year.

Mr. BINGHAM. In other words, you think you will need for next year \$40,000 more?

Mr. GIOVANNOLI. Yes, sir.

MISCELLANEOUS EXPENSES.

Mr. BINGHAM. Why do you add miscellaneous expenses as new matter?

Mr. GIOVANNOLI. I did not make the estimate. I do not think that is meant for this particular item.

Mr. BURLESON. That was explained the other day.

Mr. BINGHAM. It was not explained very satisfactorily. On page 123, at the bottom, you add the words, "and for miscellaneous expenses." That is new. That is in the item you are discussing.

Mr. GIOVANNOLI. Well, General, I did not put that in there, and I know nothing about it.

Mr. BINGHAM. Then it can go out?

Mr. GIOVANNOLI. Yes, I think it can be omitted.

SALARIES AND EXPENSES OF AGENTS, ETC. (AGAIN).

Mr. BINGHAM. Under that item for salaries and expenses of forty revenue agents and fees and expenses of gaugers and salaries and expenses of storekeepers and store-keeper-gaugers, have you increased the salaries of any of those men?

Mr. GIOVANNOLI. The salaries of the revenue agents have been increased to the extent of paying them for Sundays. Heretofore the revenue agents have been paid for week days only.

Mr. BINGHAM. Did you do that by authority of law?

Mr. GIOVANNOLI. The Commissioner of Internal Revenue concluded that he had legal authority to do so.

Mr. BINGHAM. He claims that he has authority?

Mr. GIOVANNOLI. He concluded that he had after careful consideration.

Mr. BINGHAM. Have you any idea of what that amounts to?

Mr. GIOVANNOLI. It will amount to about \$14,000 in the sum total.

Mr. GILLET. Of course they do not work Sundays. It is a mere method of raising their salaries?

Mr. BRICK. Do they work Sundays or not?

Mr. GIOVANNOLI. These agents are nearly always away from home on Sundays and in many instances they are actually working on Sundays. The Treasury agents are paid for Sundays, and it was thought just to put the internal revenue agents on a footing with them.

Mr. GILLET. What Treasury agents?

Mr. GIOVANNOLI. The special agents in the Treasury Department, in the Customs Service.

Mr. GILLET. You put in these estimates in October. Since October has there not been a big falling off in the revenue?

Mr. GIOVANNOLI. Yes.

Mr. GILLET. Is it not likely that that falling off will continue next year?

Mr. GIOVANNOLI. It is impossible to say just to what extent. The available stocks of spirits and tobacco in the hands of dealers will have to be replenished because of the inability of the tax-payers to get the currency with which to tax-pay these articles during November and December. That falling off, we think, is due largely to the fact that the tax-payers were not able to get currency. Of course I am unable to say whether the conditions of the country generally are such as to warrant the belief that there will be a continued decrease in the revenue receipts.

Mr. BURLESON. You ask for \$40,000 for an increase of business. Now I would like you to answer fully, is it not a fact that a number of States, Southern States particularly, have been adopting prohibition, and will not that bring about a decrease instead of an increase of business?

Mr. GIOVANNOLI. Not necessarily. The Southern States are not as a rule large distilling States. The State of Georgia, which has recently gone under prohibition, had only some 12 or 14 small distilleries. In the country generally the use of distilled spirits is increasing. Last year we had an increase of a little less than 12,000,000 gallons withdrawn for consumption, in spite of the growth of prohibition sentiment. The per capita consumption of distilled spirits is decreasing, but the consumption generally is increasing.

Mr. BINGHAM. What are the indications this year, in view of the prohibition movement?

Mr. GIOVANNOLI. I understand the State of Tennessee becomes prohibition, so far as the sale of intoxicating liquors is concerned, but the law there does not prohibit manufacture. The distillers of Tennessee can go right along, and the effect on the revenue will amount to the difference between what the people of Tennessee consumed formerly as compared with now.

Mr. BINGHAM. There is nothing in the Tennessee law that prohibits the manufacture of intoxicating liquors?

Mr. GIOVANNOLI. No, sir.

Mr. BINGHAM. It is only the sale that is prohibited?

Mr. GIOVANNOLI. Yes.

Mr. BURLESON. Alabama prohibits it?

Mr. GIOVANNOLI. Yes; but Alabama has few distilleries of very great production capacity. Some of the distilleries have removed to other States.

Mr. BINGHAM. So far as the Government revenue is concerned, you anticipate no reduction on account of prohibition, and you make no reduction of force in anticipation of a reduction of revenue?

Mr. GIOVANNOLI. In the State of Georgia there will probably be a reduction in the force of the Collector of Internal Revenue at Atlanta. It is probable, but that can not be stated now positively, because it must be done by Executive order. That district may be consolidated.

Mr. BINGHAM. That territory must be consolidated?

Mr. GIOVANNOLI. Yes. That would result in the saving of forty or fifty thousand dollars, possibly.

RENT OF OFFICES OUTSIDE OF THE DISTRICT OF COLUMBIA.

Mr. BINGHAM. The next item is for rent of offices outside of the District of Columbia, telephone service, and other miscellaneous expenses, increased from \$85,000 to \$120,000. That is an increase of \$35,000.

Mr. GIOVANNOLI. As certain changes modifying the method of keeping the accounts of the Bureau were not included in the Deficiency Bill for the current year, as requested, this appropriation may be reduced to \$100,000. We will endeavor to have these changes made at another time.

Mr. BINGHAM. Why do you need the other \$15,000? That is a big increase.

Mr. GIOVANNOLI. The prices of everything we buy, supplies of every character,—entering into the item of miscellaneous expenses, have increased. We have 65 collection districts, and this \$100,000, if allowed, is for office rent, telephones and for small and miscellaneous expenses incurred by the collectors.

Mr. BINGHAM. Have they any offices in addition to the 65 you spoke of?

Mr. GIOVANNOLI. We have stamp deputy collectors who have rented quarters in certain places.

Mr. BINGHAM. Those you pay?

Mr. GIOVANNOLI. Yes.

Mr. BINGHAM. How many are there of those?

Mr. GIOVANNOLI. There are some one hundred and forty stamp deputy collectors.

Mr. BINGHAM. There are many offices that you have that you do not pay rent for?

Mr. GIOVANNOLI. Yes. Many of the officers are quartered in public buildings, but we pay as high as \$600 a year for some of the deputies' offices.

DENATURED ALCOHOL.

Mr. BINGHAM. On page 125 you ask that this language be inserted, "as amended by the act of March 2, 1907." Why put that in?

Mr. GIOVANNOLI. The original legislation for the withdrawal of denatured alcohol free of tax was subsequently amended to permit the operation of industrial distilleries.

Mr. BINGHAM. Do you require that \$250,000, or does that come to you under the statute?

Mr. GIOVANNOLI. That comes under the statute. It is a lump appropriation.

Mr. BINGHAM. If you do not expend it, it reverts to the Treasury?

Mr. GIOVANNOLI. Yes, sir.

Mr. BINGHAM. If you do not spend it this year, how long does that general act run?

Mr. GIOVANNOLI. For one year. We were given the appropriation by the last Congress for 1907.

Mr. BINGHAM. And the same for 1908?

Mr. GIOVANNOLI. Yes. We are asking the same for 1909.

Mr. BINGHAM. Is there no change at all in the handling of the general propositions in connection with this work?

Mr. GIOVANNOLI. It is more or less in its infancy as yet. There has been no change in the general plan.

Mr. BINGHAM. You are going under the same plan?

Mr. GIOVANNOLI. Yes; we are going under the same plan.

Mr. BINGHAM. Did you expend last year the \$250,000?

Mr. GIOVANNOLI. We spent \$43,000 of it in the first six months of the law, which was the last six months of the fiscal year in which we had it. I do not think we will exceed \$200,000 of it this year, but, as I said, the legislation is new and this branch of the service is growing.

Mr. BINGHAM. Under the law, can we cut down that appropriation, or is the law obligatory, Mr. Courts?

Mr. COURTS. It is not obligatory. It depends on what they will need for the service.

Mr. BINGHAM. Do you need \$100,000 this year?

Mr. GIOVANNOLI. I think we will need at least \$200,000.

Mr. BINGHAM. How is that expended?

Mr. GIOVANNOLI. On the salaries and expenses of inspectors and other employees, and in other necessary items.

Mr. BINGHAM. How many appointments have been made under this appropriation, what are the salaries of these officers, where are they employed, and how are they appointed?

Mr. GIOVANNOLI. There are now employed twenty-seven inspectors, five revenue agents, twelve deputy collectors, two chemists, and thirteen clerks. The inspectors and revenue agents are employed in the field, throughout the United States, under the direction of the Commissioner of Internal Revenue. The inspectors receive \$3.00, \$4.00, and \$5.00 a day, their actual traveling expenses, and \$3.00 per day in lieu of subsistence. The revenue agents of this grade are paid \$6.00 a day and expenses. The deputy collectors are paid from \$720 to \$1,400 per annum—an average of say \$1,200, and are employed under the direction of the collectors of the districts in which they are appointed. The chemists and clerks are employed in the office of the

Commissioner. The chief chemist receives a salary of \$3,000 a year, and his assistant \$1,400. There is one clerk at \$1,600, four at \$1,400, five at \$1,100, and three at \$900. All appointments under this appropriation are made by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and are not subject to the operations of the Civil Service law. The inspectors, in performing the duties incident to their particular line of work, also assist the revenue agents in their branches of the service.

In addition to the officers named, it is necessary to employ gaugers and storekeeper-gaugers at distilleries where alcohol is withdrawn for denaturation, and at some of the distilleries there is enough of this class of work to keep officers of this grade more or less constantly employed. They are paid the usual compensation for storekeeper-gaugers and gaugers—that is, not exceeding \$4.00 a day for the storekeeper-gaugers and not more than \$5.00 a day for gaugers. It is impossible to tell how many of these officers will be needed during the remainder of this fiscal year, or during the ensuing year, as that will depend largely upon the growth of the demand for denatured alcohol. The Bureau believes that the demand will steadily increase. During the first six months of the operation of this law the salaries and expenses of storekeeper-gaugers and gaugers aggregated some \$6,000. This will be increased considerably during the current year. At distilleries where the amount of alcohol withdrawn for this purpose is not sufficient to require the constant attendance of a storekeeper-gauger or a gauger for that work alone, the supervision of the withdrawal and the gauging has been done by the storekeeper-gauger or gauger regularly on duty at the distillery. Besides the salaries and expenses of these officers, funds are necessary for the purchase of gauging instruments, paper for denatured alcohol stamps, locks, laboratory supplies, and traveling expenses of the chemist, who is called upon from time to time to visit plants and manufacturing establishments making or using denatured alcohol.

The CHAIRMAN. The \$250,000 devoted to this purpose was appropriated in the original bill and the same sum was given last year?

Mr. GIOVANNOLI. Yes, sir. The Bureau did not know, and does not now know, how rapidly this branch of the work will grow.

The CHAIRMAN. What became of the unexpended portion of the \$250,000? Did it revert to the Treasury?

Mr. GIOVANNOLI. Yes, sir.

Mr. BINGHAM. You still ask for \$250,000 for the next fiscal year?

Mr. GIOVANNOLI. Yes, sir.

Mr. BINGHAM. Will the amount estimated for this year fully cover your service, or is your service increasing?

Mr. GIOVANNOLI. It is increasing in territorial extent.

Mr. BINGHAM. The extent means a larger force?

Mr. GIOVANNOLI. Yes; a larger force. We must supervise the use and withdrawal of alcohol for denaturing, and we have to send officers wherever it is used.

Mr. BINGHAM. With good judgment that appropriation could be cut down; I think it could be cut at least \$100,000.

Mr. GIOVANNOLI. I do not think it could be cut with safety to less than \$200,000. We are now running at the rate of over \$150,000 a year.

Mr. BRICK. The amount expended was \$48,000 last year?

Mr. GIOVANNOLI. \$43,000 for the first six months the law was in operation.

Mr. BRICK. Don't you think \$100,000 would be sufficient for next year?

Mr. GIOVANNOLI. I am satisfied it would not be sufficient. As I said before, we are now operating at a total cost of \$155,000 a year and the needs of the service are constantly increasing. The territorial extent to which denatured alcohol is utilized makes it necessary to have a good many men in the field. There are now more than 800 manufactories using this article and over eight thousand wholesale and retail dealers handling it. We have to supervise the sale and use of denatured alcohol in order to prevent fraud against the revenues.

Mr. BRICK. You think it is a successful thing?

Mr. GIOVANNOLI. Yes, sir.

Following are papers filed by the Internal Revenue Bureau:

TREASURY DEPARTMENT,
Washington, Jan. 15, 1908.

HON. HENRY H. BINGHAM, M. C.,
*Chairman, Sub-Committee of the House Committee on Appropriations,
House of Representatives, Washington, D. C.*

SIR: Referring to an increase of \$190,000 in the estimate for appropriation for salaries and expenses of agents and subordinate officers of Internal Revenue for the fiscal year ending June 30, 1909, concerning which you desire an explanation, I have to state that the appropriation for the year ending June 30, 1908, for salaries and expenses of agents and subordinate officers of Internal Revenue is \$2,310,000. The estimate for the appropriation for the year ending June 30, 1909, is \$2,500,000, a difference of \$190,000.

The appropriation for the year ended June 30, 1907, which was \$2,310,000, the same as for the year ending June 30, 1908, was short \$47,822.47. Under like conditions the appropriation for the year ending June 30, 1908, which is for the same amount, \$2,310,000, as the previous year ended June 30, 1907, would be short the same amount, but different conditions now exist.

In addition to the shortage of \$47,822.47 which is shown by the bills incurred for the year ended June 30, 1907, there will be an additional expense for 10 revenue agents, authorized by law, but not employed during the year ended June 30, 1907, the estimated expense of which is \$60,000. Add to this \$40,000 for natural increase in the business during the year ending June 30, 1908, we have a deficiency of \$147,822.47 for which an additional appropriation has been asked for the year ending June 30, 1908, and now add to this \$40,000 for natural increase in the business and expenses for this branch of the service for the year ending June 30, 1909, and we have a difference of \$187,822.47, approximately \$190,000, the difference between the amount estimated for the year ending June 30, 1909, and the amount appropriated for the years ending June 30, 1907, and 1908, the appropriations for the two years being exactly the same.

If there are any other items in the appropriation concerning which you desire further explanation I would be glad to furnish the same.

Respectfully,

ROBT. WILLIAMS, JR.,
Acting Commissioner.

The following statement represents approximately the expenditures from the several appropriations incident to the collection of internal revenue for fiscal year 1907, and the balances remaining unexpended:

Salaries and Expenses of Collectors of Internal Revenue, 1907:

Appropriation.....	\$2, 075, 000. 00
Expended.....	1, 952, 608. 06
Balance.....	<u>122, 391. 94</u>

Salaries and Expenses of Agents and Subordinate Officers of Internal Revenue, 1907:

Appropriation	\$2,310,000.00
Expended ^a	2,300,350.38
Balance	9,649.62

Miscellaneous Expenses, Internal Revenue Service, 1907:

Appropriation	85,000.00
Expended	75,761.97
Balance	9,238.03

Withdrawal of Denaturalized Alcohol:

Appropriation	250,000.00
Expended	43,266.76
Balance	206,733.24

Punishment for Violations of Internal Revenue Laws, 1907:

Appropriation	100,000.00
Expended	97,339.05
Balance	2,660.95

Salaries, Office Commissioner of Internal Revenue, 1907:

Appropriation	324,460.00
Expended	319,592.59
Balance	4,867.41

Paper for Internal Revenue Stamps, 1907:

Appropriation	75,000.00
Expended	72,621.52
Balance	2,378.48

It will be seen from this statement that the aggregate of the appropriations made for this Bureau to defray the expenses incident to the collection of internal revenue for the fiscal year ended June 30, 1907, was \$5,219,460, and that the aggregate expenditures from said appropriations for the period named was \$4,861,540.33, to which is to be added \$57,472.09, bills yet unpaid because of the deficiency in the appropriation for Salaries and Expenses of Agents and Subordinate Officers of Internal Revenue, making a total expenditure from said appropriations of \$4,919,012.42, and showing a net balance unexpended from the aggregate appropriations of \$300,447.58, after deducting the amount of the bills unpaid from the aggregate appropriations.

It will be noted that the appropriations referred to show unexpended balances as follows:

Salaries and Expenses of Collectors of Internal Revenue	\$122,391.94
Miscellaneous Expenses, Internal Revenue Service	9,238.03
Withdrawal of Denaturalized Alcohol	206,733.24
Punishment for Violations of Internal Revenue Laws	2,660.95
Salaries, Office of Commissioner of Internal Revenue	4,867.41
Paper for Internal Revenue Stamps	2,378.48
Total	348,270.05

This detailed statement of unexpended balances from the different appropriations does not include the unexpended balance of \$9,649.62 to the credit of the appropriation for Salaries and Expenses of Agents and Subordinate Officers of Internal Revenue, for the reason that this appropriation shows a deficiency, there being unpaid bills to the amount of \$57,472.09. The unexpended balance of \$9,649.62 is available for the payment of the unpaid bills in part and deducting this amount from the amount of unpaid bills a net deficiency in this appropriation of \$47,822.47 is shown.

^a There are on file in this Office unpaid bills, amounting to \$57,472.09, of store-keepers, storekeeper-gaugers and gaugers for salaries, fees and expenses incurred in fiscal year 1907.

The deficiency in this appropriation is due to the following facts:

First:—That a greater number of Internal Revenue Agents authorized by law were employed during the year than in previous years.

Second:—To the unusual and extraordinary activity in the business of distilling and the consequent increase in the number of officers assigned as gaugers, storekeepers, and storekeeper-gaugers, and the natural increase in the manufacture of spirits and the rectification and compounding of the same. The collections from distilled spirits during the fiscal year ended June 30, 1907, amounted to \$156,336,901.89, compared with the collections from spirits for the previous year of \$143,394,055.12 showing an increase in favor of the year ended June 30, 1907, of \$12,942,846.77.

While all the appropriations for the Bureau except for Salaries and Expenses of Agents and Subordinate Officers of Internal Revenue show an unexpended balance, they should not on that account be reduced below the estimate made by this office for this service, as the unexpended balance of the amount appropriated is due to the most rigid economy on the part of this office to avoid deficiencies, and because it seems necessary in the interests of the service that the compensations of subordinate officers should be increased to some extent and additional officers employed.

The deficiency in the appropriation for Salaries and Expenses of Agents and Subordinate Officers of Internal Revenue was unavoidable. This office could not in advance determine the demands that would be made for subordinate officers, storekeepers, gaugers, and storekeeper-gaugers for the year, and was not at liberty in the administration of the law to decline to assign officers to duty where the interests of the service and the taxpayers demanded such action on the part of the Commissioner, nor was it able to foresee the increase in the tax from spirits or the activity in the business of distillers which actually occurred during the year.

MINTS AND ASSAY OFFICES.

OFFICE OF DIRECTOR OF THE MINT.

STATEMENT OF MR. FRANK A. LEACH, DIRECTOR.

CLERICAL FORCE.

Mr. BINGHAM. I notice that you give up the one copyist detailed to and estimated for in the office of chief clerk, Treasury Department?

Mr. LEACH. Yes, sir; one \$900 clerk.

Mr. BINGHAM. Then you ask for your force to be retained as it exists with the one single promotion?

Mr. LEACH. We cut out another \$1,200 clerk.

Mr. BINGHAM. If you will look at page 110 of the bill before you, you will observe that you now have one clerk of class 2 and you ask for two clerks of class 2?

Mr. LEACH. Yes, sir; we add one at \$1,400.

Mr. BINGHAM. Then, you have three clerks of class 1 and you reduce that to two. Therefore, it is simply a promotion?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. The one copyist detailed to and estimated for in the office of the chief clerk, Treasury Department, you allow to go back to his office and you do not use him?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. The current appropriation for your office is \$31,020?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. Why do you make this promotion of \$200?

Mr. LEACH. The class of work there is very high grade clerical work, and as fast as we take these people in the lower places and educate them in the peculiar work, we think they ought to be paid higher salaries in order to retain their services.

TRANSLATOR.

With your permission, I would like to call your attention to an item on page 110 where you provide for a translator at \$1,800. I want to change that to "clerk," because under the civil service regulations we have to appoint a translator and the man is not so much used as a translator as he is used in clerical work. It is more important to get a man who is a good clerk than to get a man who can translate and is not a good clerk.

Mr. BINGHAM. If we change only the word "translator" and make it "clerk" that will be satisfactory?

Mr. LEACH. Yes, sir; at the same price.

Mr. BINGHAM. Will you retain the same man?

Mr. LEACH. The position is vacant. We have not any man in that position. As a result our people are working overtime.

Mr. BINGHAM. Why do you not ask for a clerk at \$1,600?

Mr. LEACH. I want to be able to put a good man in that position. I can not do so now. If I go to the Civil Service Commission and ask for an extra clerk they will say that only a translator can be appointed.

Mr. GILLETT. Why do you want the translator?

Mr. LEACH. Every now and then we have foreign reports on mint operations and the reduction of precious metals and financial subjects, but we can get around that if we can get the additional clerk. We would sooner have a good statistician than a translator; it is a matter of more importance to us. It is no more expensive to the Government and it will simplify the situation very much.

Mr. GILLETT. Suppose we should leave him out altogether?

Mr. LEACH. The lights have been burning every night in our office for four months.

Mr. GILLETT. Have the clerks been working overtime?

Mr. LEACH. Yes, sir.

The CHAIRMAN. You now have a translator at \$1,800?

Mr. LEACH. Yes, sir.

Mr. GILLETT. But you do not use the appropriation?

Mr. LEACH. No, sir. We have not used the appropriation for about four months. The man resigned several months ago.

Mr. GILLETT. You had a translator up to two months ago?

Mr. LEACH. Yes, sir.

Mr. GILLETT. And you want in his stead one clerk?

Mr. LEACH. Yes, sir.

Mr. GILLETT. Why do you want the high salary?

Mr. LEACH. I want to get a good man, and probably promote some of the younger men in the Bureau.

Mr. GILLETT. You want a man qualified as a translator, but better qualified for clerical work?

Mr. LEACH. Yes, sir; the translating is incidental.

Mr. BINGHAM. Then you ask for an additional clerk?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. Can not you get an additional clerk without paying him \$1,800 a year?

Mr. LEACH. Not and secure the services we need.

Mr. BINGHAM. Suppose we give you a clerk at \$1,200 instead of the clerk now in use, could you not get along?

Mr. LEACH. The statistical work which is very complicated requires a man of experience. It requires a higher priced clerk to do the technical work of the office.

Mr. GILLETT. You have a clerk in the office now to whom you would give this position?

Mr. LEACH. Yes, sir.

Mr. GILLETT. What salary is he receiving now?

Mr. LEACH. \$1,600 a year, and then I would put somebody into the lower clerkship.

Mr. BINGHAM. Why do you not ask for two clerks of class 3 instead of one clerk of class 3 and then wipe out the other entirely?

Mr. LEACH. The duties which we exact from this man are of the highest order. We want a man who can compile statistics and to whom we can turn over a request for information and whom we do not have to follow around and tell what books to examine.

Mr. BINGHAM. You want to promote a clerk in your office and then ask for an additional clerk from the civil service?

Mr. LEACH. We want to keep the efficient clerks, those able to perform these duties.

FREIGHT ON BULLION AND COIN.

Mr. BINGHAM. Did you ask for anything in the deficiency bill this year for "Freight on bullion and coin, by registered mail or otherwise, between mints and assay offices?"

Mr. LEACH. Yes, sir; for \$60,000.

Mr. BINGHAM. Is this simply the emergency of the present?

Mr. LEACH. That is for the requirements between now and the first of July.

Mr. BINGHAM. You are asking for the same amount as was allowed last year, assuming that the emergency conditions which exist today will continue to exist?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. You can stand for the next fiscal year on the allowance of this fiscal year, without any regard to the allowance in the deficiency bill?

Mr. LEACH. Yes, sir.

CONTINGENT EXPENSES.

Mr. BINGHAM. The next item is "For contingent expenses," \$750. I suppose you use all of that?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. You can live under that appropriation?

Mr. LEACH. Yes, sir.

EXAMINATION OF MINTS.

Mr. BINGHAM. The next item is, "For examination of mints, expense in visiting mints for the purpose of superintending the annual settlements, and for special examinations." Did you ask for anything in the deficiency bill?

Mr. LEACH. Yes, sir; we had to ask for a thousand dollars this year.

Mr. BINGHAM. Will that necessity for increase continue for next year?

Mr. LEACH. There was an emergency this year. Of course if it should be repeated next year there will be a deficiency. It is not likely, however, such conditions will be repeated for several years.

Mr. BINGHAM. You can not get along on \$2,500?

Mr. LEACH. No, sir.

Mr. BINGHAM. And you think you should have that \$500 margin because it is variable?

Mr. LEACH. Yes, sir.

BOOKS, PAMPHLETS, PERIODICALS, ETC.

Mr. BINGHAM. The next item is, "for books, pamphlets, periodicals, specimens of coins, ores, and incidentals." Have you always expended that appropriation?

Mr. LEACH. Not always.

Mr. BINGHAM. Have you not a pretty good library now?

Mr. LEACH. Yes, sir; we have, but that is not altogether for books. We get publications from all over the world.

Mr. BINGHAM. You buy them?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. Do you exhaust, as a rule, the \$400?

Mr. LEACH. I can not tell you about that.

Mr. BINGHAM. You have simply asked for it because you have followed the precedent?

Mr. LEACH. I think that this year we turned back a small amount.

Mr. GILLETT. Why do you need books from all over the world?

Mr. LEACH. In order to supply the information asked for by Members of the House and Senate and by people all over the United States, and sometimes from other countries. We could not comply with these requests unless we had the publications referred to.

Mr. GILLETT. Do we ask you for information from other parts of the world?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. How much do the specimens of coins cost?

Mr. LEACH. I do not think we have bought any coins for a number of years, unless it was this year when we were taking up the subject of making a new coin we might have sent out for specimens.

Mr. BINGHAM. "Ores and incidentals." Do you buy them?

Mr. LEACH. We have bought none.

Mr. BINGHAM. This is for your show cases, your cabinet?

Mr. LEACH. No, sir; we have no cabinets. The mint at Philadelphia is the only place which has an exhibit.

CARSON, NEVADA, MINT.

Mr. BINGHAM. On page 136 under "Mint at Carson, Nevada" you are asking for one additional clerk at \$1,000. Do they need that clerk?

Mr. LEACH. The work there by reason of the recent development of rich mines has greatly increased and they have been complaining that they have had to work overtime for three months to keep up.

Mr. BINGHAM. Was there any deficiency for this mint?

Mr. LEACH. Yes, sir.

Mr. GILLETT. What mines?

Mr. LEACH. Mines in the State of Nevada.

Mr. GILLETT. At Goldfield?

Mr. LEACH. No, sir. There has been a revival of mining all over the State.

Mr. GILLETT. Is it likely that this development will continue next year?

Mr. LEACH. In Nevada?

Mr. GILLETT. Yes, sir.

Mr. LEACH. I think there is a possibility of Nevada taking the first place in the list of gold producing states in the near future.

Mr. BINGHAM. As to wages of workmen, let me ask you on the general proposition of the workmen at these different mints as well as assay offices, is the basis of pay different in different localities?

Mr. LEACH. Yes, sir; there is a difference.

Mr. BINGHAM. In other words, New York will pay larger compensation than other points?

Mr. LEACH. Yes, sir. New York pays higher than Philadelphia, Philadelphia pays higher than New Orleans, and I guess San Francisco pays higher than any of them on the ground of the cost of living.

DENVER, COLORADO, MINT.

Mr. BINGHAM. The next item is "mint at Denver, Colorado." That stands?

Mr. LEACH. Yes, sir.

Mr. GILLETT. Why do you strike out the words "and adjusters" after the words "for wages of workmen?"

Mr. LEACH. I did not know of that. This is the first I have seen of it.

Mr. GILLETT. What is an adjuster?

Mr. LEACH. A female worker.

Mr. BRICK. What do the adjusters do?

Mr. LEACH. They file the coins down to the proper weight.

Mr. BRICK. When you cut out adjusters, that means that you will not have any more women?

Mr. LEACH. I think that is due to an error. I do not think it was intentional.

NEW ORLEANS, LOUISIANA, MINT.

Mr. BINGHAM. The next item is "Mint at New Orleans, Louisiana;" that stands as it is?

Mr. LEACH. Yes, sir.

Mr. BRICK. Do you need the same amount in New Orleans?

Mr. LEACH. Yes, sir; we had to have a deficiency this year.

Mr. GILLETT. Why was the appropriation for wages of workmen and adjusters at New Orleans increased \$20,000 last year?

Mr. LEACH. Ever since the discontinuance of the coinage of the dollar and the putting out of all the dollars in the Treasury not covered by certificates, there has been an increased demand for subsidiary coin to take the place of the dollar. New Orleans was working a mere skeleton of a crew with the previous appropriation, and when the demands came for these coins, the Philadelphia mint being

crowded with work, and the San Francisco mint being crowded to its fullest capacity in filling orders for the Phillipines and Mexico and our own demands out there, there was nothing to do but to fall back on New Orleans and Denver. Within the last year and a half or two years our mints have been operated up to their full capacity and even under this appropriation there had to be a furloughing of the employees at New Orleans for a month or two.

Mr. GILLETT. Why?

Mr. LEACH. The appropriation was not sufficient to keep them.

Mr. GILLETT. They had more employees than they had money to pay them?

Mr. LEACH. Yes, sir.

Mr. GILLETT. What right had they to do that?

Mr. LEACH. Because they did not want to make a deficiency, but they wanted to get the work done.

Mr. GILLETT. What did they make down there?

Mr. LEACH. Mostly silver coins, half dollars, and quarters. The New Orleans mint is doing excellent work and in the matter of cost it compares favorably with any other institution under the government in the work it is turning out; in the matter of economy and excellence of work. We kept them busy this year.

PHILADELPHIA, PENNA., MINT.

Mr. BINGHAM. The next item is, "Mint at Philadelphia." Did you ask for any increase in the deficiency bill?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. Will you be able to do the work next year on the allowance of this year?

Mr. LEACH. We hope to.

Mr. BINGHAM. Please give us the reason why the incidental and contingent expenses were increased from \$85,000 to \$92,000?

Mr. LEACH. That is largely due to the extra amount of copper that is required.

Mr. BINGHAM. That comes out of the contingent expenses?

Mr. LEACH. Yes, sir. The larger the amount of copper used and the greater amount of work implies a possible increase of wastage which comes out of the bullion fund and that has to be recouped from the appropriation for contingent expenses.

Mr. BRICK. How much business will they do at Philadelphia this coming year?

Mr. LEACH. The prospects are that it will be more this year; work is increasing right along.

Mr. BRICK. How much will it be?

Mr. LEACH. The gold they received this year was \$176,580,654 as against \$153,109,494, a difference of \$23,000,000 in value. The silver receipts were 29,310,560 fine ounces, against 8,506,377 fine ounces for the year 1906. In the coinage the number of pieces amounted to 208,543,958 as against 167,371,035 for the preceding fiscal year.

Mr. BRICK. You expect that to continue this year?

Mr. LEACH. It has been increasing right along. Of course the country is growing.

Mr. BRICK. You have inserted new language, "exclusive of that required for the refinery." Why make it exclusive?

Mr. LEACH. This appropriation is for a specific purpose and there ought not to be any doubt as to whether they could use some of this money for refinery purposes. The refineries under the statute are operated under a provision different from the other parts of the institution. The charges that are imposed for refining and for melting go into a fund and all the cost of the operations must be taken from that fund. It means in other words, that refineries must be self-sustaining.

Mr. BINGHAM. Is that the law?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. You pay the maintenance of the refineries out of that fund?

Mr. LEACH. Out of the earnings for refining and the charges for melting.

Mr. BRICK. You want to insert this language so that it can be paid out of the contingent fund?

Mr. LEACH. No. I want to make it so clear that there will be no question about the purpose of the contingent fund.

Mr. BINGHAM. Have you had any trouble, do you not live within your appropriation?

Mr. LEACH. We do at some of the mints.

Mr. BINGHAM. You are only inserting this language at the mint at Philadelphia?

Mr. LEACH. We are making it so explicit all will understand, and there will be no question about the uses of the fund. It is a requirement for all the mints.

Mr. BINGHAM. If you are going to exclude repair from this appropriation, how are you going to make the repairs to the refinery?

Mr. LEACH. Out of the refinery fund; that should furnish enough money.

Mr. BINGHAM. Why should not this fund be used?

Mr. LEACH. It is for coinage operations.

Mr. BINGHAM. Then, as I understand, you want to put the repairs for the refinery all under the other fund?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. Where is your embarrassment, if you can use your other fund for repairs?

Mr. LEACH. I do not think that was the intention to allow such use.

Mr. BINGHAM. Has this been excepted to?

Mr. LEACH. Yes, sir.

Mr. BRICK. If I understand this right, they do not know whether refinery expenses should come out of one fund or the other, but by inserting this language it will draw a dividing line to show that they should not come out of the contingent fund, but you come out of the other fund?

Mr. LEACH. That is the idea.

Mr. BINGHAM. How do you meet these expenses now, out of this fund and the other fund too?

Mr. LEACH. No. I think this suggestion came from the Auditor.

Mr. BINGHAM. You have had no trouble?

Mr. LEACH. No serious trouble; it is to prevent any difficulty arising.

Mr. BINGHAM. You think it is better administration?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. You change the language in this paragraph from "purchase not exceeding \$500 in value of specimen coins and ores for the cabinet of the mint," to "and not exceeding \$2,500 in value of specimen coins and ores for the cabinet of the mint." Please give us the reason why you ask for that increase?

Mr. LEACH. The suggestion took inception from a resolution passed by the assay commission at the last annual meeting. This collection of coins at the Philadelphia mint is one which has been growing in importance even through this small appropriation until now it is regarded as one of the finest in the United States, and is beginning to attract even the attention of numismatians in other parts of the world, and through the feeling of pride, that we could still improve that cabinet and make it still more attractive, comes this request for an increase in the appropriation.

Mr. BINGHAM. In other words, it is just an exhibit for the visitors to enjoy as well as the trained educated men in that line of work, and you think you would like to go on and make larger purchases?

Mr. LEACH. That is the idea, and to have something to pass down to posterity, showing the skill, taste, and artistic attainments of our people as manifested in the execution of its coins.

SAN FRANCISCO, CALIFORNIA, MINT.

BOOKKEEPER—INCREASE IN SALARY.

Mr. BINGHAM. The next item is, "Mint at San Francisco, California," and as I understand there is an increase there, current law is \$41,100 and you want \$42,000, an increase of \$900. You seek to increase the compensation of the bookkeeper from \$2,000 to \$2,500?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. Is that necessary?

Mr. LEACH. I think so. That is my idea. The bookkeeper there is equally as important as the bookkeepers at Philadelphia and New York.

Mr. BINGHAM. You ought to be familiar with the situation?

Mr. LEACH. Yes, sir. The man who filled this position when I made that recommendation died and now we have another man, a new man. That recommendation was especially made for the man who died. He filled the place for twelve or fifteen years. He was doing the work alone, while in other places it takes several people. I would sooner see you cut out that estimate and allow the increase of the others. I think there would be more merit in that. There are only two clerks who will get the increase. The other clerks are already receiving \$1,800. These two clerks have an equal amount of work and they occupy equally responsible positions and for a long time have worked at reduced pay and it is no more than fair that they should receive the same compensation that is paid in other institutions.

Mr. BINGHAM. You have assayer's computation clerk and assistant weigh clerk at \$1,600 and you want them increased to \$1,800 each?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. If that is conceded to you you are willing to drop the increase asked for of \$500 for the bookkeeper? Is that your compromise?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. I notice that for 1909 you ask for \$200,000 for wages of workmen and adjusters and \$45,000 for other clerks and employees. That I see is only an increase of \$5,000?

Mr. LEACH. That is to increase the limitation. We are running pretty close there and I think we should enlarge that some.

Mr. GILLETT. Why do they want so much increase there for wages of workmen and adjusters, \$35,000?

Mr. LEACH. That is simply increasing the limit.

Mr. BRICK. Why do you want to increase it?

Mr. LEACH. So in case we have demand for increase of clerical work we can permit the work and comply with the law.

Mr. BRICK. Do you expect any such increase of work?

Mr. LEACH. Yes sir, but I think the estimate of \$200,000 can be reduced because we are earning money from the Philippines coinage and that work is going over to next year.

Mr. GILLETT. How much can it be reduced?

Mr. LEACH. I think you can cut it down \$25,000.

Mr. BRICK. In the next paragraph there is an increase of \$15,000?

Mr. LEACH. The earnings from the Philippine coinage will permit of reduction of that estimate also. That appropriation could be \$50,000.

Mr. BINGHAM. Are you asking anything in the deficiency bill?

Mr. LEACH. No, sir.

Mr. BINGHAM. You are operating under the \$45,000?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. You want \$50,000?

Mr. LEACH. The reason we did not ask for a deficiency is earnings from the Philippines and Mexico.

Mr. BINGHAM. What did you coin for the Philippines?

Mr. LEACH. All their coinage is being recoined.

Mr. BINGHAM. What?

Mr. LEACH. All, the silver pesos and centavos.

Mr. BINGHAM. That money you use under this item?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. The law allows it?

Mr. LEACH. Yes, sir. It goes right into our fund for wages of workmen. The earnings of each mint goes into the fund for wages of workmen and then they draw from that.

Mr. BINGHAM. If you did not have that fund you would have to come in for a deficiency?

Mr. LEACH. Yes, sir. That is the only mint which did not ask for a deficiency and that was on account of the large earnings. We will have some earnings for foreign work during the next fiscal year and that enables me to reduce the estimate for wages, \$25,000. I would like to have the \$60,000 stand. Still if you think it imperative you can cut it out. However, I would prefer to let it stand. We are doing lots of new work, rehabilitating the institution, putting in new machinery, one thing and another, and we can use it to good advantage. We have put in lots of machinery and we have not called on Congress for a dollar.

BOISE CITY, IDAHO, CHIEF CLERK ASSAY OFFICE.

Mr. BINGHAM. The next item is; "Assay office at Boise City, Idaho," and you seek to increase the compensation of the chief clerk from \$1,400 to \$1,600. That is only an increase of pay?

Mr. LEACH. Yes, sir.

Mr. BINGHAM. The next item is, "For wages of workmen." Why do you want an increase there?

Mr. LEACH. There was a considerable increase in the work there this last year and up to October or November they had to work over-time and they thought this would help them out.

Mr. BINGHAM. Do you expect the same condition for the following year?

Mr. LEACH. That is pretty hard to tell. It depends on the prices of the metals. If the prices continue low there will be a depression.

CHARLOTTE, NORTH CAROLINA, ASSAY OFFICE—INCIDENTAL AND CONTINGENT EXPENSES.

Mr. BINGHAM. The next item is, "Assay office at Charlotte, North Carolina," and there is an increase in the incidental and contingent expenses. What is the necessity of that?

Mr. LEACH. I think that is to enable them to increase the protection for their vaults, something of that kind.

Mr. BINGHAM. Is the work finished?

Mr. LEACH. No; it has not been undertaken. It is to enable them to make some repairs to the vaults or increase their protection; something of that kind. I do not remember the details. I can furnish them if you wish.

Mr. BRICK. I think you had better send them to the committee.

Is this assay office at Charlotte, North Carolina, holding up and doing as much as it was doing before or not? I see they have the same estimate as heretofore.

Mr. LEACH. It is about the same. They have been running the same for many years.

Mr. GILLET. They do not do anything, do they?

Mr. LEACH. It is a great convenience. It is not self-sustaining. None of the offices outside of New York is self-sustaining.

Mr. BINGHAM. In other words, it is now an assay office because it has been an assay office heretofore?

Mr. LEACH. Yes, and because it is a convenience to the mining people of the Southern States around there.

DEADWOOD, SO. DAK., ASSAY OFFICE.

Mr. BINGHAM. South Dakota runs the same.

Mr. BRICK. There is a little decrease on incidental expenses.

Mr. BINGHAM. You insert new apparatus and machinery, balances, and so forth, instead of rent of building. Why do you do that? What do you do with the rented building?

Mr. LEACH. I will have to find out, General, about that.

Mr. BINGHAM. You want new apparatus and machinery and balances?

Mr. LEACH. All those items could be covered by contingent expenses.

Mr. BINGHAM. While it is a reduction of two hundred dollars in your contingent expenses, you seem to have eliminated rent of building and included new machinery and balances.

Mr. BRICK. Does this office at Deadwood, South Dakota, keep up, or has it run behind in its business?

Mr. LEACH. I think that has been improving. I think that business increased there right from the start. It is a comparatively new office.

Mr. BINGHAM. Do you think the maintenance of that is necessary—the maintenance of that assay office at Deadwood?

Mr. LEACH. Yes, if those at Boise and Charlotte are necessary. If they are, that is.

Mr. BRICK. And New Orleans?

Mr. LEACH. Yes.

HELENA, MONT., ASSAY OFFICE.

Mr. BINGHAM. Go ahead. The next is Helena, Montana. That remains the same. You consider that necessary?

Mr. LEACH. Yes, sir.

NEW YORK ASSAY OFFICE.

Mr. BINGHAM. Now, we come to New York. There is where some changes are asked for. New York asks for an assistant to the superintendent, \$2,500, and an increase of one clerk from \$1,800 to \$2,000. Then in the next item, wages of workmen, there is an increase of \$10,000. As to the clerks above, you do not know anything about that?

Mr. LEACH. No. The addition for wages of workmen is on account of the increased work at that institution. It is phenomenal the way the gold has been piling in there in the last year or two.

Mr. GILLETT. Gold?

Mr. LEACH. Yes.

Mr. GILLETT. That means foreign coins?

Mr. LEACH. No; not necessarily. Of course this flurry brought an immense amount of gold from the other side, but probably 25 per cent of that was of our own coin. But there has been an increase in the production of gold in the United States, which has added to the work of this institution.

Mr. GILLETT. Most of that does not go to New York, does it?

Mr. LEACH. Part of it does. Even some of Canada's metal has gone there.

Mr. GILLETT. I supposed that went to our Western assay offices and mints.

Mr. LEACH. No. The American Smelting and Refining Company brings all its gold from Salt Lake to New York.

Mr. BINGHAM. Do you know any reason for the increase of an assistant to the superintendent, \$2,500? That is new. That is a big item,

Mr. LEACH. That is a big one, but a good man who has been put in that place——

Mr. BINGHAM. They need it?

Mr. LEACH. Yes, they do need him.

Mr. BINGHAM. What is the man getting now?

Mr. LEACH. Two thousand five hundred dollars.

Mr. BRICK. You want another man at that same price?

Mr. LEACH. I suppose the present compensation is now squeezed out of the appropriation for wages of workmen. The man has been there for some little time.

Mr. GILLETT. At this rate?

Mr. LEACH. Yes.

Mr. BINGHAM. This is for a distinctive office, assistant to the Superintendent at \$2,500. That is the creation of a new clerkship. How is that done now—the work that he will do? Is it done by anybody?

Mr. LEACH. Yes. When Mr. Foster went in he was a green man to the place and he had to have an assistant, a man who was posted on the technical work of the institution, and this Mr. Mason was detailed for this purpose.

Mr. GILLETT. Detailed from where?

Mr. LEACH. He was the previous superintendent. He has been there for many years as superintendent of that assay office.

Mr. GILLETT. He lost his job and somebody else got it, and then he was appointed assistant? Is that it?

Mr. LEACH. I can not tell you how he came to go out. It was before my time. He was appointed assistant.

Mr. GILLETT. You do not know how he was paid?

Mr. LEACH. He must be paid regularly or the account could not pass the Auditor.

Mr. BINGHAM. He may have been detailed from among some of these people, assayers, melters, and refiners, cashier, assistant melter, and so on; some one whom he designates in general business work as his assistant during his absence. But this creates absolutely a new office.

Mr. LEACH. That is the idea. It creates a new office.

Mr. BINGHAM. They ask for a new office?

Mr. LEACH. Yes.

Mr. BINGHAM. Wages of workmen, messengers, and so forth. How do they come to want such an increase?

Mr. LEACH. That is an increase of ten thousand dollars. It is due to the enormous increase in the business there.

Mr. BRICK. Can you not get along with less than that?

Mr. LEACH. With less than \$25,000?

Mr. BRICK. Yes.

Mr. LEACH. We might try.

Mr. BINGHAM. There were deficiencies back in 1897, but wages are not going up now.

Mr. LEACH. That is not for increase of wages. That is for an increase in the number of men.

Mr. BINGHAM. What is it that gives them all work?

Mr. LEACH. The increase of receipts there. They received as much bullion in two months, November and December, as they did for one recent whole calendar year.

Mr. BRICK. That was on account of that flurry?

Mr. LEACH. Yes.

Mr. BRICK. I hope we will not have that flurry all of next year.

Mr. BINGHAM. Will they live within their appropriation this year? You have no estimate of a deficiency, have you?

Mr. LEACH. They are after one. I do not remember whether we submitted it or not. I thought I tried to hold them down. It did not come in with the regular estimates.

Mr. BINGHAM. Wages have not gone up?

Mr. LEACH. We want that for the increase in the number of workmen. It is not with a view to increasing the pay of the men already there, but it will allow us to increase the number of workmen.

Mr. BINGHAM. What makes you think you need more workmen?

Mr. LEACH. It is a growing institution.

Mr. BINGHAM. The increase of your work recently was because of this temporary flurry?

Mr. LEACH. Oh, no, not altogether. There has been an increase beyond that.

Mr. BINGHAM. It has not been very marked in the last few years.

Mr. LEACH. It has been very marked in the last two years.

Mr. BINGHAM. You claim they are doing much larger work?

Mr. LEACH. Yes, sir. It is a self-sustaining institution.

SEATTLE, WASH., ASSAY OFFICE.

Mr. BINGHAM. The next change appears at Seattle, Washington. The increase is about \$1,400. The assayer in charge now gets \$2,750, and you want that increased to \$3,250. That is an increase of \$500. And you want the chief clerk increased from \$2,000 to \$2,400.

Mr. LEACH. That institution is one of the most important. It is next to New York in importance. They handled last year about \$26,000,000 in gold, and the responsibilities are very large, and it seems to me that the past appropriation is inadequate to keep the right kind of men. Of course you can get plenty of men for those places, but it seems to me a man in that place ought to be paid more in comparison with the pay of other positions in New York and other important places.

Mr. BINGHAM. You observe that \$16,000 instead of \$14,000 is the restriction for other clerks and employees. You increase the amount \$2,000.

Mr. LEACH. Yes, sir.

Mr. BINGHAM. Now you say that work is increasing rapidly?

Mr. LEACH. Yes.

Mr. BINGHAM. But in the office you do nothing but increase salaries. Your estimate is \$2,000 increase for wages of workmen, but that \$2,000 increase is intended for clerks and other employees under that item. You do not want to raise the salaries of fixed officials fully that much? Do you see what I mean? Do you see what the point is?

Mr. LEACH. No, I can not say that I do.

Mr. BINGHAM. Your last increase is covered by a request for \$2,000 more for the workmen. The first increase is an increase of \$500 for the assayer in charge. Your next increase is \$400 for the chief clerk. Those two make an increase of \$900. Then you drop one clerk at \$1,600 and add a new clerk at \$1,800, an increase of \$200. Then you increase one clerk from \$1,500 to \$1,700 and another from \$1,400 to \$1,500. That makes an increase of \$14,000. In other words, in the body of

your office you increase every salary in the clerical force, and your only increase for the whole amount of increase in work of the whole establishment is \$2,000, and that \$2,000 is for other clerks and employees under the wages of workmen.

Mr. LEACH. Those men are receiving very small pay compared with the same responsible work in other institutions.

Mr. BRICK. You means other assay offices?

Mr. LEACH. Yes, as compared with Philadelphia and New York. Those men are worked from morning till night just as hard as they can work, and in the heavy part of the season, from July till November, they work a great deal of overtime. You have to have in an institution of that kind a certain number of clerks to do the work, whether it is much or light. You have to have an organization. That organization is an excellent one, and I think they ought to be paid commensurate with the responsibilities and the amount of labor performed.

MONDAY, *January 27, 1908.*

INDEPENDENT TREASURY.

SUB-TREASURY, CINCINNATI, OHIO..

STATEMENT OF MR. C. A. BOSWORTH, ASSISTANT TREASURER.

RECEIVING TELLER.

Mr. BINGHAM. Your receiving teller gets \$1500 and you want to increase him to \$1800?

Mr. BOSWORTH. I want to explain how that is. For a good many years I had a cashier, a very competent man, who really ran the office. He was also the vault clerk, and ran all the important part of the office. He resigned last fall and went to California. Then, I had to promote the other man and I took the receiving teller who had been there since 1866, and gave him the position. I have never had a vault clerk; the cashier always did that duty. That left the position of receiving teller and I had to put one of the clerks in that position, first using one and then the other. None of them will serve for \$1200, because the losses are great and the responsibility is great. I promised them that I would appear before the Appropriation Committee and see if we could not get an increase of salary for my receiving teller.

Mr. BINGHAM. Then your distress is caused by the clerk who left you?

Mr. BOSWORTH. Yes, sir.

Mr. BINGHAM. And you promoted a man not qualified?

Mr. BOSWORTH. They are qualified. I did not want to use my cashier as vault clerk. I think it is a great mistake. It gives him too much authority. When I went into the office the cashier was acting as the vault clerk and I did not wish to remove him, but when he went out I was very willing to make the receiving teller, who is a very competent man, a very worthy man, the vault clerk.

PERSONAL BONDS.

Mr. BINGHAM. He is under bond?

Mr. BOSWORTH. I give bond for them. I pay the bond out of my own pocket.

Mr. BINGHAM. You pay the charges of the bonds for these clerks?

Mr. BOSWORTH. Yes, sir.

Mr. BINGHAM. What is your bond?

Mr. BOSWORTH. My bond is \$150,000.

Mr. BINGHAM. What does it cost annually?

Mr. BOSWORTH. \$60.

Mr. BINGHAM. And that covers your vault clerk?

Mr. BOSWORTH. No. Then I pay one-tenth of one per cent of \$5,000, five dollars, out of my own pocket for them. They could not afford it and I have been paying it myself.

VAULT CLERK.

Mr. TAWNEY. What are the duties of the vault clerk?

Mr. BOSWORTH. He has entire charge of all the money that is paid in.

Mr. TAWNEY. That is the bookkeeping?

Mr. BOSWORTH. No, sir; he counts the money. Whenever any money is put into the vault it is put into his charge.

Mr. BINGHAM. That is his work?

Mr. BOSWORTH. Yes, sir. You need a very reliable man for that position. He could ruin me.

CASHIER.

Mr. BINGHAM. What does your cashier do?

Mr. BOSWORTH. He runs the office. He is in charge of the men, he writes the letters, he signs the vouchers. There is a great deal of work for a cashier.

Mr. BRICK. I notice that the vault clerk is a new man?

Mr. BOSWORTH. I have taken him from the receiving teller's desk.

Mr. BRICK. You will have a receiving teller?

Mr. BOSWORTH. I have a receiving teller, but I have taken one of the \$1,200 clerks.

Mr. BRICK. The vault clerk does not add anybody to your force?

Mr. BOSWORTH. It does not add anything to the force. The cashier was cashier and vault clerk.

Mr. BRICK. But, do you have to have a new man to fill his place?

Mr. BOSWORTH. No, sir.

Mr. BRICK. When you have a vault clerk in addition then you will have these persons in the rest of the office?

Mr. BOSWORTH. Yes, sir. The vault clerk counts the money; he has a responsible position, and I want to get a good man to serve there. The responsibilities are very great for a \$1,200 receiving teller. We ship money here and they say we are short. We can not tell about it, but the receiving teller has to make it good. I have been taking that up with the Treasury Department.

AMOUNT OF BUSINESS.

Mr. BRICK. How much money do you handle annually?

Mr. BOSWORTH. The receipts and disbursements last year were \$140,000,000.

COIN TELLER.

Mr. TAWNEY. You provide for one coin teller, that is an addition?

Mr. BOSWORTH. No, sir; he has always been a coin teller. He only gets \$1,200 and I ask for an increase. Of course, I am not so insistent about the coin teller. Those people will stay there.

Mr. TAWNEY. You have no person designated as coin teller under existing law?

Mr. BOSWORTH. I thought I had.

Mr. TAWNEY. You have a receiving teller but there is no coin teller.

Mr. BOSWORTH. There has always been a coin teller.

Mr. TAWNEY. He may be carried as a clerk and designated as a clerk?

Mr. BOSWORTH. Yes, sir; it may be. The receiving teller is acting as vault clerk, and I have to put first one clerk and then another in that position; none of them is willing to shoulder the responsibility for the salary.

Mr. TAWNEY. \$1,800?

Mr. BOSWORTH. \$1,200. The vault clerk would be the receiving teller. Of course I can not take his salary away from him. He has been there since 1866, the most competent man in the office.

Mr. BRICK. Do you mean to say that the vault clerk should get as much as the receiving teller?

Mr. BOSWORTH. Yes, sir; his duties are more responsible.

Mr. BRICK. The receiving teller has only been getting \$1,200?

Mr. BOSWORTH. \$1,500 up to this year and then I promoted him to vault clerk. That leaves the vacancy. He can not perform the duties of receiving teller and vault clerk.

Mr. TAWNEY. His predecessor did?

Mr. BOSWORTH. No, the cashier was cashier and vault clerk under the old régime. He was in the office when I took it. I thought it was a mistake when I went in to have one man handle the whole thing. It leaves too much in one man's hands. I did not like to say anything, because he was all right and was honest. No other sub-treasury does that, they always have their vault clerk separate.

Mr. TAWNEY. The man who now acts as vault clerk still has the title of receiving teller?

Mr. BOSWORTH. Yes, sir; I ask to have that title changed.

Mr. TAWNEY. He is carried on your books as receiving teller?

Mr. BOSWORTH. Yes, sir; up to this time.

Mr. TAWNEY. He is doing that in order to get the compensation of \$1500?

Mr. BOSWORTH. Yes, sir.

Mr. TAWNEY. He is performing only half the duties that the cashier formerly performed?

Mr. BOSWORTH. Yes, sir. Of course he works just as much, he counts currency when he is not in the vault.

Mr. TAWNEY. You formerly had one assistant cashier?

Mr. BOSWORTH. I have him yet; he is the paying teller.

Mr. TAWNEY. The cashier at \$2,250, who is filling that place?

Mr. BOSWORTH. The assistant cashier, I promoted him to that place.

Mr. TAWNEY. Who is filling the assistant cashier's place?

Mr. BOSWORTH. I promoted one of the clerks to be assistant cashier.

Mr. TAWNEY. The assistant cashier you promoted to be cashier is discharging only the duties of cashier, whereas your former cashier discharged the duties of cashier and vault clerk?

Mr. BOSWORTH. Yes, sir.

Mr. BRICK. How long has the assistant cashier been there?

Mr. BOSWORTH. He came in there a few months after I took the office, ten years, I guess.

Mr. BRICK. How old is he?

Mr. BOSWORTH. Between 25 and 30 years of age.

Mr. BRICK. Is he a pretty good man?

Mr. BOSWORTH. Yes, sir; he is an excellent man. My office is handicapped compared with other subtreasuries.

Mr. BINGHAM. How is your work in comparison?

Mr. BOSWORTH. I think it is as great as any in comparison to the force, we only have twelve men.

FRIDAY, January 24, 1908.

WAR DEPARTMENT.

OFFICE OF THE SECRETARY.

STATEMENT OF MR. ROBERT SHAW OLIVER, ASSISTANT SECRETARY OF WAR.

CHIEF CLERK AT \$4,000.

Mr. BINGHAM. General Oliver, I see the estimate calls for an increase to the Chief Clerk from \$3,000 to \$4,000. Why that increase?

Mr. OLIVER. This is the Secretary's personal desire that this be put up.

Mr. TAWNEY. Who is the chief clerk?

Mr. OLIVER. The chief clerk is Mr. Scofield. He has been there a great many years, and the work has been increased in the Department. It has been growing larger and larger, and everything goes through him.

Mr. BINGHAM. Has he been there for 5 years?

Mr. OLIVER. Oh, yes; a good many years more than that. I think they have put up the chief clerks in the other Departments to \$4,000; at least that is what I am told.

Mr. TAWNEY. That is the uniform increase asked for by the heads of departments.

Mr. OLIVER. An increase is requested for the clerk to the Assistant Secretary from \$2,100 to \$2,300. That is the man who acts for me, the same as Carpenter acts for the Secretary. In the last four years my work has been quadrupled, and his work has been immensely increased by it, and he has been seven years in the position and eight years drawing this present salary. If any man is entitled to an increase, he is. His work has immensely increased.

ADDITIONAL CLERK AT \$1,000.

Mr. BINGHAM. A little lower down on page 157 you ask for an increase of one clerk at one thousand dollars.

Mr. OLIVER. That is six clerks at one thousand dollars instead of five clerks. They have dropped one man at \$720 and have estimated for an additional clerk at one thousand dollars. These were created as an additional temporary force during the war with Spain, and those were the smallest salaries paid. We now need that.

Mr. BINGHAM. It is an additional clerk?

Mr. GILLETT. It is a promotion?

Mr. OLIVER. Yes; it is a substitution from \$720 to \$1,000.

Mr. BINGHAM. One clerk at \$720 you drop, in order to get that?

Mr. OLIVER. Yes, sir.

ADDITIONAL TELEPHONE SWITCH-BOARD OPERATOR.

Mr. BINGHAM. You want two telephone switch-board operators. That is a promotion?

Mr. OLIVER. Yes; that is an increase of one to \$720. One receives \$720 at present and the other receives \$600, and both of them do exactly the same work. One is a woman.

Mr. GILLETT. The other is a man?

Mr. OLIVER. Yes. Here is a memorandum I had on that. [Reads]:

Two telephone switchboard operators at \$720 each, one submitted in lieu of one assistant telephone switchboard operator at \$600.

The duties of the telephone switchboard operator, now receiving \$720, and those of the assistant telephone switchboard operator, now receiving \$660, are identical, and there is no relation between these two in this Department of principal and assistant. The increase of the present designated assistant and the change of her designation are submitted in order that her compensation may be commensurate with the duties performed.

Mr. TAWNEY. When we first took up that matter we allowed only one switch-board operator at \$720 a year, so that she could be on duty practically all the time, and the Department could be open for business. At the last session of Congress it was represented to us that the switch-boards were operated more hours than the office force worked, and that it was necessary for them to detail some one to operate the switch-board after hours and also in the morning, and for that reason we gave them an assistant switch-board operator, fixing that compensation, on account of not being obliged to work so many hours as the chief operator, at \$620. Now, can you not in your Department so arrange the hours as to equalize, or more nearly equalize the labor and the compensation received for the labor required?

Mr. OLIVER. You know at first we tried to shut down and not keep the switch-board working after half-past four or five o'clock. Then the Secretary insisted that it had to be done, so that we had to put another one on, and these two people do the same work and divide the twenty-four hours between them.

Mr. BURLESON. That is an arrangement between them?

Mr. OLIVER. I could not say as to that, but I can send the information to you.

Mr. TAWNEY. In the Post-Office Department, where they have this same arrangement, the two operators have divided up the time so that the \$720 switchboard operator works longer than the other one, to make up for the difference in their compensation, and the chief operator is not then working more than other people in the Department work, or any longer.

Mr. BURLESON. Not as long.

Mr. TAWNEY. And that is a matter of administration, it seems to me, that should be adjusted in the Department, without putting them on an equality as to compensation.

Mr. OLIVER. I will take the matter up with the chief telegrapher. I will confess to you, of course, that I am not very conversant with these details, but I shall be glad to do anything you suggest.

ADDITIONAL ASSISTANT MESSENGER.

Mr. BINGHAM. The next is an item where you drop out one telephone operator and substitute one assistant messenger.

Mr. OLIVER. That is to make the duties conform to the office. He is really an assistant messenger.

Mr. GILLET. You are using a telephone operator as an assistant messenger?

Mr. OLIVER. Yes. One assistant messenger at \$480 in lieu of one telephone operator at the same salary is submitted. This change of designation is desired in order to make the designation conform to the duties performed by the occupant of the position.

Mr. BRICK. Then they do not use this person as a telephone operator?

Mr. OLIVER. Apparently not. They use him as a messenger.

Mr. GILLET. Have you the right to do that?

Mr. OLIVER. I imagine so.

Mr. BURLESON. Is a messenger needed?

Mr. OLIVER. It is a messenger that is needed, apparently.

PRINTING CLERK AT \$1,400.

The Secretary is anxious to write to you about having an extra \$1,400 clerk to take charge of the printing. I think he will write you a letter. Here is a memorandum about it by the Chief of Ordnance. I think perhaps that had better be filed. It is a letter from Representative Taylor. [Submits same]:

WASHINGTON, D. C., *January 15th, 1908.*

Mr. JOHN C. SCOFIELD,
Chief Clerk, War Department, City.

DEAR SIR: I write you because I believe you are familiar with the matter to which reference is made below.

In the estimate made by the War Department to the last Congress, there appears an item for one additional clerk in the office of the Secretary of War, at \$1,400.00 per year. I am advised that this recommendation was made by the Secretary, but that General Crozier objected because he thought the salary should be \$1,600 instead of \$1,400. This item I understand does not appear in this year's estimate for the War Department. Will you let me suggest that you take my letter up with General Oliver, or if need be with Secretary Taft, with a view to having this item inserted with a change of salary from \$1,400 to \$1,600. I am inclined to believe that such a recommendation by the Secretary of War, at this time, would meet with success; at least, I will be glad to lend what aid I can to obtain the adoption of such recommendation.

Thanking you for any attention you may give the matter, I am,

Very truly, yours,

E. L. TAYLOR, Jr.

[Memorandum.]

This letter from Representative Taylor is in relation to item for clerk to be placed in charge of printing for which an estimate was submitted for fiscal year 1908, in following language:

"Effective measures have been taken to reduce the cost of Departmental printing and publication by subjecting all work of this kind to a thorough and careful scrutiny in the Office of the Secretary of War. This work is done under the immediate supervision of the Chief Clerk and the volume and character of the printing of the Depart-

ment is such as to require the assistance of a practical printer. The most available employee in the Department for this purpose is a \$1,400 clerk in the Office of the Chief of Ordnance, who was formerly employed in the Government Printing Office. The additional \$1,400 position for which estimate is submitted is desired to enable the transfer of this clerk from the Ordnance Office to the Office of the Secretary of War. By this transfer it is confidently expected to effect economies that will more than equal the amount of this salary."

When this provision was made for this position it was intended to transfer a clerk from the Office of the Chief of Ordnance, but the Chief of Ordnance, in whose office this clerk is now employed on similar work was strongly of opinion that he should not be deprived of his services unless the transfer carried a promotion. The present salary of this clerk in the Office of the Chief of Ordnance is \$1,400.

CONTINGENT EXPENSES OF THE WAR DEPARTMENT.

Mr. BINGHAM. Now give us the contingent expenses of the War Department, page 172. That comes under you, Mr. Secretary?

Mr. OLIVER. I am afraid I am not informed on any of these matters.

Mr. BINGHAM. You have had no deficiency on that?

Mr. OLIVER. No deficiency on that. We do not allow any deficiencies.

Mr. BINGHAM. That is all. Is there anything you desire to file?

Mr. OLIVER. Yes, sir. I will file these papers. I wish I had more information to give you.

The following papers were filed by Mr. Oliver:

WAR DEPARTMENT,
Washington, January 23, 1908.

MY DEAR GENERAL: The question of the increase of salaries proposed in the estimates is generally one of policy which affects other Departments than this one. The proposed increase, for instance, of the salary of the Assistant Secretary of War to be \$6,000 from \$4,500 is one which I approve, but one which the Committee must consider, of course, from the standpoint of the increase of salaries in other Departments. It is true we have but one Assistant Secretary in this Department, and a great deal more labor falls upon him because his burdens are not divided. That might be a reason for exceptional action with respect to the Assistant Secretary.

The increase I think most meritorious is the increase in the salary of the office of Chief Clerk from \$3,000 to \$4,000. The enlargement of the War Department in various directions has greatly increased his duties. I doubt if there is any Chief Clerk in all of Washington that has so much under his supervision or exercises so much control as does the Chief Clerk of this Department. I earnestly urge that the increase recommended from \$3,000 to \$4,000 be granted. Were we to have another Assistant Secretary of War, as we ought to have, I should believe Mr. Scofield the proper person to appoint to that place, for what he does is really the work of an Assistant Secretary.

I also beg to mention the matter of the salary of the Clerk to the Secretary of War and urgently to recommend that he be given an increase from \$2,000 to \$2,250, which will equalize that position with the salary of the Clerk to the Secretary of the Navy, who receives a compensation at the rate of \$2,250. The duties of that position in this office are very arduous, and I should be glad if the increase could be made.

Very sincerely yours,

WM. H. TAFT,
Secretary of War.

General HENRY H. BINGHAM,
Chairman, Sub-committee on the Legislative Bill,
House of Representatives.

Assistant Secretary, salary of \$6,000 in lieu of \$4,500 submitted—increase of \$1,500.

On December 6, 1907, the Department by letter made a supplemental estimate to the Secretary of the Treasury for increasing the salary of the Assistant Secretary of War from \$4,500 to \$6,000. The reason given in the supplemental estimate for the increase is as follows:

Salaries, office of the Secretary of War—

Assistant Secretary (increase of \$1,500 submitted) (acts of Mar. 5, 1890, vol.

26, p. 17, sec. 1; Feb. 26, 1907, vol. 34, p. 963, sec. 1)..... \$6,000

Amount appropriated for the current fiscal year ending June 30, 1908..... 4,500

NOTE.—Before leaving Washington for the Philippines the Secretary of War prepared and forwarded to the Secretary of the Treasury, on August 28 last, the estimates for the War Department for the ensuing fiscal year. The salary of the Assistant Secretary of War was estimated for therein as now fixed by law at \$4,500, but since that date heads of Executive Departments decided to recommend to Congress an increase in compensation of the Assistant Secretaries of the Departments of \$1,500, making the annual compensation of an Assistant Secretary \$6,000.

As this decision was reached, as stated above, subsequent to the submission of the War Department annual estimates, it is desired that this estimate be substituted for the item of \$4,500, submitted with the annual estimates for "Salaries, office of the Secretary of War," fiscal year ending June 30, 1909.

Chief Clerk, salary of \$4,000 in lieu of \$3,000 submitted—**increase of \$1,000.**

Clerk to the Secretary, salary of \$2,250 in lieu of \$2,000 submitted—**increase of \$250.**

There are now three clerical employees attached to the immediate office of the Secretary, viz.: the private secretary and his two assistants. One of these, the clerk to the Secretary, now receives \$2,000 per annum. His work is not only extremely heavy but he is also required to work overtime to an extent very unusual in the government service, his hours being practically commensurate with those of the Secretary. His duties are not merely stenographic, but are those of a confidential clerk, requiring executive ability and an intimate knowledge of departmental business. In view of the great volume of business centering in the Secretary's immediate office, pertaining to the Army, the Philippines, the Panama Canal, the Provisional Government of Cuba, and other matters, and in view of the extended hours of labor, it is considered that this increase of \$250 is especially deserving.

Clerk to the Assistant Secretary, salary of \$2,300 in lieu of \$2,100 submitted—**increase of \$200.**

"The position of clerk to the Assistant Secretary of War is similar in its duties to those of each of the Chief Clerks of the First, Second, Third, and Fourth Assistant Postmasters-General, who receive each \$2,500, and it is believed that the salary herein asked for, \$2,200, is no more than adequate for the services required."

Six clerks at \$1,000 each, increase of one submitted in lieu of one at \$720, dropped:

One additional clerk at \$1,000 is estimated for in lieu of one at \$720, dropped. These \$720 clerkships were created on the "additional temporary force" during the war with Spain, when the exigencies requires the smallest salaries be paid in order to obtain an adequate force with the money available. Only with the greatest difficulty has the Department been able to obtain competent clerks at that compensation through the Civil Service Commission, and it is manifestly unreasonable to expect that reliable clerks receiving that salary will not seek and obtain transfers to other branches where the minimum salary paid is \$900 and in some cases higher; nor is it reasonable to expect a person to do clerical work at \$720 in the same room with messengers who are getting \$720 and \$840 for work of an inferior nature. The clerkships of this grade of salary, of which there were at one time seventy, have all been eliminated except one in the Office of the Secretary of War and one in the Office of the Quartermaster-General.

OFFICE OF THE INSPECTOR-GENERAL.

STATEMENT OF BRIGADIER GENERAL E. A. GARLINGTON, U. S. A., INSPECTOR-GENERAL.

ADDITIONAL CLERK AT \$1,000.

Mr. BINGHAM. You ask simply for the increase of that one clerk. one clerk at \$1,000?

General GARLINGTON. Yes, sir. You notice that note signed by General Galbraith?

Mr. BINGHAM. Yes. It is in accordance with that note?

General GARLINGTON. Yes, sir.

Mr. BINGHAM. Is there any special reason why there should have been that overwork?

General GARLINGTON. There has been more detail work, and I have in the office one clerk who is the chief clerk, an old war veteran, a man who has been in the service forty years and is deficient, is deteriorating every year, and I do not like to ask to have him put out, and really if he could do full work I could probably get along without that man.

Mr. BINGHAM. Is he the best trained man in your office?

General GARLINGTON. He has been the chief clerk there, except for an interval of about two years, since 1876. He has lost an eye.

Mr. TAWNEY. You say you do not like to separate him from the service. Does not the law require the Secretary to dispense with the services of inefficient clerks?

Mr. BURLESON. To demote them.

Mr. TAWNEY. There is another provision requiring them to remove them entirely.

Mr. BURLESON. That is where they are wholly deficient. But where the efficiency is simply impaired, demotion is required.

Mr. TAWNEY. If a man's service in addition to this man is needed, it would indicate that this man is wholly inefficient.

General GARLINGTON. He is not wholly inefficient.

Mr. BRICK. How much does he get?

General GARLINGTON. One thousand eight hundred dollars.

Mr. GILLET. I understood that the law required their removal.

Mr. COURTS. A provision in the last Legislative act requires their removal if they are permanently disabled.

Mr. BINGHAM. How old is he?

General GARLINGTON. He is about 65 or 66, I should say. He was all through the Civil War.

Mr. GILLET. Why should he not be reduced to a \$1,000 position and have a new man in his place?

General GARLINGTON. He could not be utilized to much advantage, because he is not a typewriter, and the records now are kept by type machines. His greatest value is in directing.

Mr. TAWNEY. The Assistant Secretary has just informed us that he wants an additional messenger in one of the bureaus. Why could not this man serve as a messenger by detail?

General GARLINGTON. I would not recommend that. I think he is deserving of more consideration than that. He lost an eye in the service.

Mr. BRICK. Suppose we reduced the pay of this other person and gave an extra man, or did not give an extra man and left this old man in there as he is?

General GARLINGTON. I would rather try to work along the same way as I am than have him reduced.

Mr. BURLESON. With increasing years does not his pension increase?

General GARLINGTON. No, sir.

Mr. BURLESON. I thought it did under the law.

Mr. BRICK. It would not unless it was a service pension.

General GARLINGTON. I am not familiar with the pension law.

Mr. BRICK. If he gets a pension under the old law it would increase.

Mr. LIVINGSTON. When he gets to be 68 years of age he can get an increase, but not if he is only 65 years of age.

General GARLINGTON. I have one clerk of class 4, three of class 3 and three of class 2 and one of class 1, and I have two clerks fewer in the present force than we had previous to the Spanish-American war, when the Army consisted of 25,000 men.

Mr. BURLESON. The gentleman of whom you speak is a clerk of Class 4?

General GARLINGTON. Yes.

Mr. BURLESON. Is he as efficient as either one of the three clerks of class 2?

General GARLINGTON. No, sir.

Mr. BURLESON. Now then, you have a man there who is not as efficient, drawing a salary in excess of the salary drawn by two clerks of class 3 and three clerks of class 2.

General GARLINGTON. He is more efficient in his present position than he would be in the other, because he can direct work, but can not do it, cannot work himself; cannot do the work those other men can do and are doing.

Mr. BINGHAM. Then why should not the other clerks be promoted right up and let him have the lowest compensation? Could you handle your work then?

General GARLINGTON. He is more efficient in his present position than he would be in any other, because he cannot, in a manual way, do the work these men are doing.

Mr. LIVINGSTON. Reverse the position suggested by the gentleman from Texas. Is there anybody you have in class 2 or 3 who can do the work he can?

General GARLINGTON. Yes, but that would take them from work that a man of class 4 could not do.

Mr. GILLETT. What work did he used to do that he can not do now? You say he never did any manual work, that he is not a typewriter.

General GARLINGTON. He could overlook certain money accounts that come through.

Mr. GILLETT. Which he does not do now?

General GARLINGTON. No, sir.

Mr. BURLESON. What clerk does that?

General GARLINGTON. One clerk of class 3, Mr. Cusenberry.

Mr. BURLESON. But not as well as Mr. Cusenberry?

General GARLINGTON. No.

Mr. GILLETT. Why could he not be kept in his present place, but with a reduced salary, if he does not earn his present salary?

General GARLINGTON. Rather than reduce him, I would prefer to go on as I am now.

SIGNAL OFFICE.

STATEMENT OF BRIGADIER-GENERAL JAMES ALLEN, U. S. A., CHIEF SIGNAL OFFICER.

REARRANGEMENT OF SALARIES.

Mr. BINGHAM. As I understand, General, so far as the sum total is concerned, \$25,800, the estimate for your office, remains unchanged?

General ALLEN. Yes.

Mr. BINGHAM. These changes indicated here are simply promotions?

General ALLEN. We ask to rearrange, because we think we should have a more efficient service. We have three clerks at \$900 and two clerks at \$840, and we drop some out and take others up. We do not have those clerks and can not get them. We do not get the benefit of what you allow us.

Mr. TAWNEY. Have you a surplus in this appropriation?

General ALLEN. No, sir. It is simply a rearrangement. We have not a dollar surplus.

Mr. TAWNEY. You say you have clerks authorized that you cannot keep?

General ALLEN. Yes. They come in, but they do not stay. An \$840 clerk will come along and stay a week or two and then go on. We can not keep clerks at that price that do us any good.

Mr. GILLET. You keep the places full?

General ALLEN. Only partly. There are vacancies while we are waiting to get others.

Mr. BURLESON. You could not dispense with that clerk altogether?

General ALLEN. We dropped one out; had to, in order not to increase the amount. We would rather have one less and have them more efficient.

Mr. BURLESON. You are going to give the increased salary to those that are there?

General ALLEN. Yes. Each one will get a little bit more.

Mr. BURLESON. Do they propose to put any more out?

General ALLEN. No, sir.

Mr. BURLESON. Do they propose to be more efficient?

General ALLEN. Yes. We will get better men to do better work.

Mr. TAWNEY. Part of the time of his force, I understand, is employed in instructing these \$840 men. If he drops out that position entirely the remainder of the force will save the time heretofore spent in educating the other men.

Mr. BURLESON. And because they do not have to educate those other men he proposes to increase the salary of each one of them.

Mr. LIVINGSTON. If he does not increase the appropriation, I do not see why you cannot let him have it.

General ALLEN. It will be a more efficient arrangement all around for the service than the way you have it now.

Mr. BURLESON. I understand you drop out the \$840 clerks altogether. You do not propose to take a new man in your office at all?

General ALLEN. Not unless there is a vacancy.

Mr. BURLESON. You are going to increase the salaries of those that are there. Is it because they will render more efficient service?

General ALLEN. It is because they will stay. They will not stay otherwise.

Mr. TAWNEY. When a man comes into your bureau does he come in at the lowest salary of \$840?

General ALLEN. Yes; naturally we get the poorest at \$840. Sometimes they certify a \$900 man.

Mr. BURLESON. Is the \$900 man threatening to quit?

General ALLEN. Lots of them do. quit. You know that is not a large salary. There is a continual procession of men in the \$840 and \$900 class.

Mr. LIVINGSTON. I see from the note that when a vacancy occurs in Class 4 the clerk promoted receives an increase of \$400, and that it is desired to make the increase more gradual and not jump a man \$400 at a time.

PERSONAL SERVICES—FIRE CONTROL.

General ALLEN. Yes, sir. There is only one other item and that is the matter of allowing us to expend \$30,000 out of the fire control appropriation in the city of Washington instead of \$25,000. That is for the reason that we bring these expert men here and have a certain staff. As it is now, we are short and cannot bring a man in. For instance, I have an expert in New York and I want to use him

in Washington. I can not use his services here because I am allowed to expend only \$25,000 of this sum. I have got to use him in New York, whereas I might use him more efficiently here. We save many thousands of dollars by our doing work where we handle expert matters.

Mr. BINGHAM. Are you increasing a little?

General ALLEN. If the appropriations are made this year we will probably have as much for fire control as ever before. We are doing quite a considerable amount of that work. It is in the book there; to spend \$30,000 instead of \$25,000. The money will be spent anyway. It is part of the appropriation for the year, but sometimes I would rather spend it here than in New York. When a man comes here and stays a while we send him back, but we could not bring a man here from New York now. We would simply be debarred from using his services when we need him here. It is a matter of increasing the efficiency.

Mr. TAWNEY. Do you know whether your estimate for fire control is increased \$5,000 in consequence of taking this additional five thousand dollars from that lump sum appropriation?

General ALLEN. This does not increase the amount at all. It is a very small per cent added to our increase. If we took what we got and added 10 per cent to it, it might leave us \$5,000. It is just a little more in accordance with what we think we will spend this year.

OFFICE OF THE QUARTERMASTER-GENERAL.

STATEMENT OF BRIGADIER-GENERAL JAMES B. ALESHIRE, QUARTERMASTER-GENERAL.

Mr. BINGHAM. General, you have quite a body of changes there at the commencement of that. You reduce your line of employees?

Gen. ALESHIRE. We reduce the number of employees by two. The force of clerks is increased by one, a law clerk. The force of Draftsmen is decreased by two, and one Inspector of Supplies is dropped, making a net decrease of two employees.

Mr. BINGHAM. In other words, you have, ample force of employees?

Gen. ALESHIRE. Yes, sir.

Mr. BINGHAM. And now you are able to reduce them by two?

Gen. ALESHIRE. Yes, sir.

Mr. BINGHAM. You take the salaries of those two and divide them up among the other salaries, and in that way increase the salaries of the others?

Gen. ALESHIRE. Yes.

Mr. BINGHAM. The first is the chief clerk, whom you want to be increased from two thousand dollars to three thousand dollars. How long has he been chief clerk?

Gen. ALESHIRE. He has been chief clerk for a number of years; I am not certain just how long. He came into this service in 1861. I have forgotten since when he was chief clerk. I do not know how long, but it is quite a while. I can look that up and let you know. He has been Chief Clerk since September 15, 1898. He came into the service of the Quartermaster's Department December 1, 1861, and into the Quartermaster General's Office, June 21, 1864.

Mr. BINGHAM. You think he ought to have three thousand dollars instead of two thousand dollars?

Gen. ALESHIRE. Yes. Similar or like clerks are getting that pay in other Departments, as I understand it.

Mr. BINGHAM. Have you any idea of the number of subordinate force under him?

Gen. ALESHIRE. Yes.

Mr. BINGHAM. How many are there?

Gen. ALESHIRE. Two hundred and twenty-four, and with this reduction it would be 222.

Mr. BURLESON. There is no change in this man's service at all, except that the responsibilities of the position have correspondingly increased with the great increase in the work of the Department since the beginning of the Spanish War. There has also been an increase in the number of employees since April, 1898, of nearly 85 per cent.

General ALESHIRE. No, sir.

Mr. BRICK. Are that one law clerk and those four chiefs of division, at two thousand dollars, new men?

General ALESHIRE. The chiefs of division are now eighteen-hundred-dollar men, and I wanted to reduce the number of eighteen-hundred-dollar men by that number.

Mr. BRICK. That is simply adding 4 chiefs of divisions and taking away 4 chiefs and raising their salaries two hundred dollars apiece. Is not that the idea?

General ALESHIRE. Yes. It is raising their pay and dropping four clerks at eighteen hundred dollars each. They are chiefs of branches of the office.

Mr. BRICK. You intend to promote them to the positions of chiefs?

Gen. ALESHIRE. Yes.

Mr. BRICK. It is a way of raising the salaries of these four clerks?

Gen. ALESHIRE. Yes.

Mr. BURLESON. They will be rendering the same service as they are now?

Gen. ALESHIRE. Yes.

Mr. BINGHAM. The chief clerk now has 224 subordinate force. He wants 222 for the next fiscal year. Now he takes these reductions that he makes and adds that amount to increase the compensation of the others. Then he asks in the sum total an increase of a little over \$4,000, including the allowance of the two clerks given up. He does that all along the line. You have four chiefs of division?

General ALESHIRE. Chief of branches.

Mr. BINGHAM. You call those branches now?

General ALESHIRE. Yes, sir. They are similar to Divisions in the offices of the Secretary of War and Adjutant-General and other Departments of the Government, the salary attached to which is \$2,000 or more, as provided by law.

Mr. BINGHAM. What is the necessity for the law clerk?

General ALESHIRE. He is required.

Mr. BINGHAM. Have you a law clerk?

General ALESHIRE. No, sir.

Mr. BINGHAM. This is new?

General ALESHIRE. Yes, sir.

Mr. BINGHAM. Have you not always the right to refer to the law division of your Department?

General ALESHIRE. Yes, sir.

Mr. BINGHAM. Why do you need one with you absolutely, would not a disputed question go to the law clerk of your Department?

General ALESHIRE. Yes, sir. There are a great many things which this man would be posted on that no other clerk in the office is posted on and which it would be his business to be posted on.

Mr. BINGHAM. You never have had a law clerk?

General ALESHIRE. No, sir.

Mr. BINGHAM. Have you had embarrassments result from that?

General ALESHIRE. No, sir; but we have had delays in not having a man familiar with these things. Questions are constantly arising as to the proper interpretation of Army regulations, orders, laws and contracts, and the application of decisions of the law officers of the Government, which require immediate action and can not without causing delay be submitted to the law officer of the War Department, for decision, and it is necessary to have a clerk who has had a legal education and training, and who is used to making researches of the law and authorities on such questions. A law clerk was authorized by Congress last year for the Surgeon General's Office at the same rate of pay.

As to the question of the rating of those clerks at a thousand dollars who were formerly allowed at \$900, \$840 and \$720, we can not get competent men certified at those prices. In fact, we have been notified by the Commission that they can not certify us competent stenographers and clerks and typewriters at those rates. So we have had them rated at \$1,000.

Mr. BINGHAM. You are asking for one draftsman at \$2,000. Why do you need a draftsman, I mean distinctively at that compensation?

General ALESHIRE. He is a very competent man.

Mr. BINGHAM. It is simply a promotion?

General ALESHIRE. Yes, sir. He has been employed in the office of the Quartermaster General since 1892. We could not replace him through the Civil Service Commission at the rate of pay he is now receiving, and he is worth the additional \$200 per year. I wish to retain him and ask that his pay be increased.

Mr. BINGHAM. Outside of the one law clerk and four chiefs of division, which are new people, all the rest are promotions along the line?

General ALESHIRE. Yes, sir.

OFFICE OF THE COMMISSARY-GENERAL.

STATEMENT OF BRIGADIER-GENERAL HENRY G. SHARPE, COMMISSARY-GENERAL.

INCREASES OF SALARIES.

Gen. SHARPE. Mr. Chairman, I ask for an increase of one clerk of Class 4, one clerk of Class 3, and one clerk of Class 2.

Mr. BINGHAM. Is it increase or promotion?

Gen. SHARPE. It is promotion, to increase the number of grades allotted to the office.

Mr. BINGHAM. You ask for no additional force?

Gen. SHARPE. No, sir. It simply requires \$1,900 more money. Last year I made a reduction of two clerks, one at \$900 and a messenger at \$660. I said in my note down here that there were three,

but the note is a mistake as to that. It really makes a decrease in the office force last year of two men. I hoped to make another one this year and to effect a promotion in that way, but I can not do it. I have to appoint this clerk to fill a vacancy which I was holding open in order to compensate some of these promotions. In order that the clerks should work more intelligently in the office and more energetically, there ought to be more promotions.

Mr. BINGHAM. Will that be entirely satisfactory, and will you be able to handle your work?

Gen. SHARPE. Entirely, sir.

Mr. GILLETT. How were you able last year to reduce your force? Was the work diminishing a little?

Gen. SHARPE. No, sir. It is not diminishing. I forced the clerks, and when a vacancy occurred I did not fill it. Then I held this other vacancy open when a clerk resigned or died, hoping to do the same thing, but we were falling behind on our work, and I had to give them relief.

Mr. BINGHAM. Is the work up now?

Gen. SHARPE. Yes.

Mr. GILLETT. It is not diminishing any?

Gen. SHARPE. No, sir; not diminishing at all. I tried to use this money, gentlemen, as if it were my own. I make an experiment and when I find it can not succeed I want to put it back again.

Mr. BURLESON. You propose to promote a clerk from class 3 to class 4?

Gen. SHARPE. Yes, sir.

Mr. BURLESON. Will he continue to render the same service to the Government exactly?

Gen. SHARPE. Yes, sir.

Mr. BURLESON. Will it be any more efficient service?

General SHARPE. No, sir; I can not say it will be more efficient, but it will tend to make the other clerks in the department more desirous of rendering good service. When you consider my department in connection with the other departments in the War Department, you will appreciate the fact that we have a much lower percentage, as shown by this table, which I would like to leave here; we have a much lower percentage of high-grade clerks in the office in comparison with the others, and our work is practically of the same kind. Under the Dockery law we are charged with the examination of the accounts and returns of officers of subsistence, and the settlement of those accounts and returns of stores is made in our office, and you need good competent clerks and men who, when opportunity offers, do not transfer out. I received to-day a request for a man to be transferred from our office to——

Mr. GILLETT. What office does he go to?

General SHARPE. To the Judge-Advocate-General's Office. He goes out after two years service in my office and he gets promotion.

TRANSFERS OF CLERKS.

Mr. BINGHAM. Right in that connection let me make this inquiry: We understand that the law requires a certain length of service in a Department before a transfer can be made. Does your protest when an application is made for a transfer avail in any form?

General SHARPE. It would, sir, if I made a protest.

Mr. BINGHAM. Why did you not exercise your authority when it embarrassed the efficiency of the office?

General SHARPE. I do not think in this particular case that a man should stand in the way of the advancement of another.

Mr. BINGHAM. That is sentimental?

General SHARPE. Yes, it is sentimental; but it is justice to a man.

Mr. BINGHAM. I wanted to know to what extent that obtained.

General SHARPE. I do not always approve of these things.

Mr. GILLET. A Department chief does not like to stand in the way of promotions?

General SHARPE. No; but I think I have refused one or two.

Mr. TAWNEY. To what position is this man to be transferred?

General SHARPE. He goes from a position at a thousand dollars to a position of \$1,200 down in the office of the Judge-Advocate-General. He has been able to do that because he has studied law and taken a degree outside of office hours. You can not eliminate sentiment, and when it seems that a man is trying to get ahead, we should encourage it; but I do not encourage it all the time.

Following is a paper filed by General Sharpe:

Attention is invited to the fact that three of the clerks in this Bureau assigned to positions of responsibility and requiring exceptional qualifications do not receive pay adequate to the service rendered. In order to correct this in a measure the number of clerks estimated for in classes IV, III, and II has been increased by one each, and the number in classes \$1,000 and \$900 decreased by two and one respectively. In this connection attention is invited to the disparity in the number of higher grade clerks in this office compared with other bureaus of the War Department as indicated in Table No. 1 below.

An effort was made last year to correct in some small measure this disparity in grading by dispensing with the services of three men, and using \$320 of the \$1,560 saved to the Government thereby to increase the number in the nigner grades. The increase of the percentage in the higher grades can not be effected in this manner any further, for the reason that the work of the office will not admit of any further reduction. One vacancy which was being held open for the purpose had to be filled owing to the condition of the work.

The total increase required to effect the changes recommended amounts to \$1,900, whereas the amount saved the Government last year by the reduction of three employees netted \$1,240, so that the net increase of \$660 over the amount which was saved the Government at that time would put the Department on a more equitable rating as far as the clerical force is concerned.

For the foregoing reasons it is earnestly recommended in justice to the work and the worker, and to place this office more on an equality with other bureaus, that the slight rearrangement shown in Table No. 2 be authorized.

TABLE No. 1.—Number of clerks and percentage in each class for fiscal year 1908.

Office.	Clerks.												Total number of clerks.
	4th class.		3d class.		2d class.		1st class.		\$1,000.		\$900.		
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
Com. Gen.....	3	5.17	5	8.62	5	8.62	20	34.48	16	27.58	9	15.51	58
P. M. Gen.....	6	12.00	7	14.00	12	24.00	11	22.00	5	10.00	9	18.00	50
Chf. Ord.....	5	8.33	6	10.00	11	18.33	26	43.33	8	13.33	4	6.66	60
Q. M. Gen.....	11	6.70	12	7.31	26	15.85	61	37.19	28	17.07	15	9.14	164
Sur. Gen.....	13	13.68	11	11.57	26	27.36	32	33.68	10	10.52	3	3.15	95

If the rearrangement as proposed is authorized, the number and percentage of clerks in the Office of the Commissary General would be as follows:

4th class.	3d class.	2d class.	1st class.	\$1,000.	\$900.	\$840.	\$720.	Total.
No. %	No. %	No. %	No. %	No. %	No. %	No. %	No. %	
4 6.89	6 10.34	6 10.34	29 34.48	14 24.14	8 13.79	.....	.....	58

STATUS.				PROPOSED STATUS.			
Clerical force for year 1908.				Clerical force for year 1909.			
Class.	Number.	Salary.	Amount.	Class.	Number.	Salary.	Amount.
Chief clerk.....	1	\$2,000	\$2,000	Chief clerk.....	1	\$2,000	\$2,000
Fourth.....	3	1,800	5,400	Fourth.....	4	1,800	7,200
Third.....	5	1,600	8,000	Third.....	6	1,600	9,600
Second.....	5	1,400	7,000	Second.....	6	1,400	8,400
First.....	20	1,200	24,000	First.....	20	1,200	24,000
\$1,000.....	16	1,000	16,000	\$1,000.....	14	1,000	14,000
\$900.....	9	900	8,100	\$900.....	8	900	7,200
Messenger.....	1	840	840	Messenger.....	1	840	840
Assistant Messenger.....	2	720	1,440	Assistant Messenger.....	2	720	1,440
Laborer.....	1	660	660	Laborer.....	1	660	660
Total.....	63	.....	73,440	Total.....	63	.....	75,340

Increase, \$1,900.

OFFICE OF THE SURGEON-GENERAL.

STATEMENT OF BRIGADIER-GENERAL ROBERT M. O'REILLY, U. S. A., SURGEON-GENERAL.

Mr. BINGHAM. General, you ask for two messengers instead of one. Why that increase?

General O'REILLY. Until last year we had no messengers, only assistant messengers. There were two men there who were very faithful and reliable and had served over 20 years as assistant messengers in the Surgeon General's office. Last year's Legislative, Executive and Judicial bill carried one messenger. I had asked for two messengers. We promoted one man, and I would like very much to promote the other, because he is a very faithful intelligent and efficient man who has served all those years without any promotion, and this is his only chance.

Mr. BRICK. How old is he, General?

General O'REILLY. I do not know exactly how old he is. He is a colored person, and it is very difficult to judge about the age, but he is not so old but that he is able to do his work. He is active.

Mr. BINGHAM. You drop him as assistant messenger?

General O'REILLY. Yes, sir.

Mr. BINGHAM. This \$2,088 you recommend to be increased to \$2,400. Why that increase?

General O'REILLY. The man who is there now has been there a little over five years. He makes a chemical examination of all the supplies we get in the Medical Department. When we advertise we get samples of everything, and he makes analysis of these samples; and then when we get the stores he makes analyses to see if they come up to the sample. It is a very intricate thing, requiring a great deal of skill.

Mr. BINGHAM. He is a trained chemist?

General O'REILLY. Yes; he is a trained chemist. Besides that he has a great deal to do in examining samples of water at military posts, all of which are subjected to careful chemical examination. They are sent to me from those places at the request of the Quartermaster-General, usually. He does all that. He has no assistants and it is more work than one man can do. Last year he broke down from overwork. He worked regardless of hours.

Mr. BINGHAM. Has he been there for a number of years?

General O'REILLY. Yes, sir.

Mr. BINGHAM. Did he come in at the compensation of \$2,000?

General O'REILLY. Yes.

Mr. BINGHAM. You think he is worth \$2,400?

General O'REILLY. Yes; I think he is worth \$2,400, and I think in other Departments they get that or more for the same line of work; not in the War Department, but other Departments of the Government.

Mr. BINGHAM. What about the assistant chemist at \$2,088?

General O'REILLY. That is to allow for the increasing work I have been talking about.

Mr. BINGHAM. In other words, in your Medical Department your increase is \$3,696 in salaries?

General O'REILLY. Yes.

Mr. BINGHAM. That is for increase of work?

General O'REILLY. Yes. I have a memorandum here that will give you all the reasons, and I will hand that over to you if you permit me.

Mr. BINGHAM. Very well.

General O'REILLY. Here it is [submitting same]:

[Memorandum.]

Increased pay proposed for Chemist of S. G. O. and Specialists at Army Medical Museum and Library Surgeon General's Office.

Chemist.—Pay of \$2400.00 per annum instead of \$2088.00, increase \$312. also an assistant Chemist at \$2088 is asked for.

Remarks.—The present incumbent has occupied his position a little over five years. He is required to make chemical examinations of all medicines used by the Medical Dept. before purchase and all hospital supplies such as foods which require chemical examination. He must also examine and report upon all samples of drinking water sent in by medical officers and many from the Quartermasters Dept. This last work is constantly increasing in bulk. His work is most arduous and it has been impossible for him to take proper leave of absence to recuperate. There is also much inevitable delay in making and reporting upon the examinations. He is a thoroughly qualified man and is much underpaid.

NOTE.—The Chemist of the Agricultural Dept. receives \$3500.00 and the Asst. Chemist, the Soil Chemist and Soil Physicist. 2500.00 each. The Assistant chemist is urgently needed for the steadily increasing work and to allow for absence on leave or for sickness.

MUSEUM.

Pathologist.—Pay of \$2,088.00 asked for instead of \$1,800.00 increase \$288. Prepares all gross specimens for museum in an admirable way and furnishes many of them through his connection with the medical profession of the District. An expert at autopsies and a thoroughly trained man, formerly an Acting Asst. Surgeon.

Microscopist.—Pay of \$2,088.00 instead of \$1,800.00. Increase of \$288. Trained physician and an expert microscopist. Does microphotography in a way that has made him known over the U. S. Also is an expert in taking X-ray photographs for which his services are often called in the diagnosis of cases of disease and injury of Officers, soldiers and their families. Has served more than twenty years.

NOTE.—Comparing the salaries of the above-named scientists with analogous positions in other branches of the Government, it is seen that \$2,500.00 is the smallest pay given elsewhere. In Dept. of Agriculture Pathologists get \$2,750.00 and \$2,500.00. Physiologist and Zoologist \$2,500.00. Biologist in Chief \$2,750.00.

LIBRARY.

Principal Asst. Librarian.—Has been on duty since the inception of the Library, which is the largest Medical Library in the world. Has edited the Index-Catalogue since its beginning. The Catalogue is the only complete subject and author catalogue not only of medicine and allied sciences but of any scientific subject published and is a hand book indispensable in any library in the World. The present incumbent is recognized as a great medical bibliographical expert and scholar every where in this country and in Europe. The increase from \$2088.00 to \$2400.00 is but a small acknowledgment of the important service he has done to Science. He has attained a great age, but still performs his full share of work.

Asst. Librarian.—From \$1800.00 to \$2088.00. Increase \$288. Edits the Index-Catalogue and is the only man besides the principal Asst. Librarian who can take his place and carry on the work. He is a physician, a scholar knowing many languages and is thoroughly trained. He not only richly deserves the increase asked for but the position when it falls vacant must be filled by a man of very unusual attainments. Such a man would be impossible to obtain under the present salary. It should be noted that the work of the Library in the preparation of the Index-Catalogue is UNIQUE and in case of the loss of the present incumbents of the two positions mentioned, no one however learned in medicine and experienced in bibliography could fill their places without a years' study of the special conditions.

The salaries of some of the experts in the Library of Congress are mentioned for comparison.

Chief Asst. Librarian \$4000.00.
 Chief Catalogue Div. 3000.00.
 Chief Div. of Bibliog. 3000.00.
 Chief Document Div. 3000.00.
 Chief Manuscript Div. 3000.00.

Mr. BINGHAM. I see you increase the principal assistant librarian from \$2,088 to \$2,400.

General O'REILLY. Yes.⁶ That is Dr. Robert Fletcher, who is a very old gentleman and has been on duty since the beginning of that library. You know about that library: It is the largest medical library in the world.

Mr. BINGHAM. I know that.

General O'REILLY. He has indexed the catalogue, and, to cut it short, he is a great medical bibliographer and expert, known all over the world. He has been there ever since the thing began, after the Civil War. He was well up on the list of volunteer surgeons when he went there, and his service has been continuous.

Mr. BINGHAM. Have you ever asked for this before?

General O'REILLY. I asked for it last year, but the Secretary cut it out.

Mr. BURLESON. If he was a young man just coming into the service, what compensation would be a fair compensation for the service rendered?

General O'REILLY. I think that he would begin at about two thousand dollars.

Mr. BURLESON. The service rendered is worth that to the Government?

General O'REILLY. I think fully.

Mr. BRICK. How about this pathologist?

General O'REILLY. That is a raise, too. We ask for an increase of \$288 there. That man is a trained physician and is an expert microscopist, and he prepares all the specimens, the pathological speci-

mens, for the Museum, and he gets many of them through his connection with the medical profession in the District. He is an expert at post mortem examinations, and a thoroughly trained man.

Mr. BINGHAM. In fact, all your estimates are increases?

General O'REILLY. Yes, sir.

Mr. BINGHAM. Why do you run to \$2,088?

General O'REILLY. That is the same that was formerly fixed. Two thousand and eighty-eight dollars was the compensation that so many of these gentlemen got.

Mr. BINGHAM. I know; but here is your assistant librarian, who now receives \$1,800, and you change him to \$2,088. The query in my mind is, why do you run to the odd dollars, \$88, to change the law out of round sums?

Mr. BURLESON. Two thousand and eighty-eight dollars is the law now.

Mr. BINGHAM. The query is, why do you adhere to the \$88 in promotions?

General O'REILLY. The librarian was getting \$2,088, and the assistant librarian was getting \$1,800. The idea was that the assistant, after pushing up, would get the salary that is now given to the principal.

Mr. GILLET. Why do you make the pathologist that queer sum?

General O'REILLY. For the same reason. That is to accord with the salaries we found there.

Mr. BINGHAM. Are all those men of long experience?

General O'REILLY. Every one of them.

Mr. BINGHAM. Is there any dissatisfaction among them in regard to compensation?

General O'REILLY. All of them would like an increase, but I do not think there is any dissatisfaction. Our library is the largest medical library in the world.

Mr. BURLESON. If he was a new man to the service, but efficient and faithful, what would be a fair compensation to him?

General O'REILLY. I think about \$1,800 a year.

Mr. BRICK. How long has he been there?

General O'REILLY. I should say for 25 years.

Mr. BRICK. You have not had any trouble in filling these positions or keeping them filled?

General O'REILLY. No, because the same men have been in them.

Mr. BURLESON. Here is a certain service that has been rendered to the Government. You say a fair compensation for that service is \$1,800. How do you justify giving a man any more?

General O'REILLY. Only for long and faithful service.

Mr. BURLESON. Do you think it right that we should give an additional sum of the Government's money because of a consideration of that kind? The Government gets a certain service, which is worth so much money. Have we the right to give a cent more, in good morals? I do not think so. Do you?

General O'REILLY. That is a hard question for me to answer, Mr. Burleson. That is a question for you to settle.

OFFICE OF THE PAYMASTER-GENERAL.

STATEMENT OF BRIGADIER GENERAL CHARLES H. WHIPPLE,
PAYMASTER GENERAL U. S. A.

Mr. BINGHAM. You are asking for no change in your clerical force?
General WHIPPLE. No, sir.

Mr. BINGHAM. Can you make any reduction?

General WHIPPLE. It is not possible. We have a force working very hard there all the time, and during the months of October and November there was considerable overtime work.

OFFICE OF CHIEF OF ENGINEERS.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, January 25, 1908.

To the CHAIRMAN COMMITTEE ON APPROPRIATIONS,
House of Representatives.

SIR: The Legislative, Executive, Judicial and Appropriation Act, approved June 22, 1906, in addition to the item providing for a clerical and messenger force for this office, by established classes and at fixed compensation, contained an item in the following words:

And the services of skilled draftsmen, civil engineers and such other services as the Secretary of War may deem necessary, may be employed only in the office of the Chief of Engineers to carry into effect the various appropriations for rivers and harbors, fortifications, and surveys, to be paid from such appropriations: *Provided*, That the expenditures on this account for the fiscal year ending June thirtieth, nineteen hundred and seven, shall not exceed ten thousand dollars; and that the Secretary of War shall each year, in the annual estimates, report to Congress the number of persons so employed, their duties, and the amount paid to each.

The Act of like title, approved February 26, 1907, contained a similar provision substituting the fiscal year ending June 30, 1908, for that of 1907, quoted in the item above.

It has been barely possible, with the force of employees thus provided for, to properly conduct the business of this office with that promptitude which is most desirable, but by constant and unremitting energy and attention on the part of our employees who constitute, I believe, as a whole, one of the most efficient clerical forces in the Government service, the business of the office has not been permitted to get in arrears. The time has come, however, when in my judgment, further assistance should be supplied, for a time at least, and in support of this opinion I beg leave to state that, in our Record Division alone, the increase in the number of papers handled has been 147 per cent since 1894, and in that period our entire office force has been increased but 26 per cent.

The increased work falling upon this office has been mainly caused by larger appropriations for rivers and harbors, and the extension of property accountability rendered necessary by the equipment of the different military organizations and posts with certain articles of Engineer property required to insure increased efficiency in connection with our military establishment.

During the past year the force engaged upon the work of checking, computing, and compiling mathematical and structural data, as provided for in the allotment referred to, has not been large enough for the purpose, and it has been necessary to detail for such work con-

tinuously, from the regular roll, one clerk at \$1,800, one at \$1,400, one messenger at \$720, and a third clerk at \$1,000 has also been employed on such matters for a part of the time. The mass of technical work, which the developments in the sciences of fortification construction and the improvement of rivers and harbors imposes upon this office, is increasing, and without sufficient assistance of the kind, it is impossible to pass intelligently and accurately upon the complicated questions which must be disposed of as they arise.

With this brief statement, I beg leave to very earnestly recommend that, in the bill now under consideration by the Committee on Appropriations, the amount which the Secretary of War has heretofore been permitted to expend for temporary service in this office, as quoted above, be fixed at \$15,000 instead of \$10,000 as authorized by the Acts of 1906 and 1907.

It will be noted, of course, that the additional \$5,000, referred to in the last paragraph, would be provided for by allotment from River and Harbor and Fortification Appropriations, and will not increase the item carried by the Legislative, Executive, Judicial and Appropriation Bill.

Very respectfully,

A. MACKENZIE,
Brig. Gen., Chief of Engineers, U. S. Army.

Concurred in and specially recommended.

ROBERT SHAW OLIVER,
Actg. Secy. of War.

JANY. 25, 1908.

BUREAU OF INSULAR AFFAIRS.

STATEMENT OF BRIGADIER-GENERAL CLARENCE R. EDWARDS, U. S. A., CHIEF.

CLERICAL FORCE.

Mr. BINGHAM. Please tell us about the readjustment of your clerical force?

General EDWARDS. Last year I made no change. This year my experience has made me believe that I can not get competent clerks at \$900, men who will stay with me. I have omitted the 14 clerks at \$900 and increased the other grades, class 2, two clerks, class 1, five clerks, and the \$1,000 grade four clerks. In other words I want to trade 14 clerks for 11, dropping three out of my bureau. It would be a total increase of \$200 to the appropriation. The aggregate of the clerical force in my bureau, taking out the messengers, charwomen and laborers, is \$76,200, which would make the average, I think, about \$75 to \$100 less than the average in the War Department.

Mr. BINGHAM. That is the whole proposition?

General EDWARDS. That is the statement in a nutshell.

Mr. BRICK. You can not hold the lower men, you want to have less men and higher paid salaries?

General EDWARDS. I can get a few women, but not one out of fifty would be able to go on to the higher positions. In other words, I probably have more women in proportion to my force, which is a

small force, than any other bureau of the War Department. I would have to get nothing but women at that low salary, and it would not be more than four or five years before the chiefs and understudies of each division, and I have seven in my office, would be all women. I do not want to be ungallant, but some of them have not quite the executive ability. That is the point.

Mr. GILLETT. How is the work in your bureau, just about the same?

General EDWARDS. My work has increased a great deal in this way: I have had Santo Domingo put upon me, and since we have ratified the treaty, the Secretary of State has asked me to continue that work. The original force sent down there were all drafted from the Bureau of Insular Affairs after the War Department took it, and those men are entitled to wonderful praise for the great work they have done. I can say that because I was absent during that time.

Mr. GILLETT. Now they are with you?

General EDWARDS. Yes, sir. We also have had Cuba. I have asked for no increased appropriation, but I have said that it was temporary work and they had to do it overtime. I have decreased my force over thirty by better organization and a better lot of clerks.

OFFICE OF THE CHIEF OF ARTILLERY.

STATEMENT OF BRIGADIER GENERAL ARTHUR MURRAY, U. S. A., CHIEF.

Mr. BINGHAM. You are the Chief of Artillery?

General MURRAY. Yes, sir.

Mr. BINGHAM. How is your Bureau, if I may so call it, paid to-day, under what appropriation?

General MURRAY. Under the Army appropriation.

Mr. BINGHAM. Under the general Army appropriation?

General MURRAY. Under the general head, "pay to clerks, messengers, and laborers at headquarters of divisions, and departments, and the office of the Chief of Staff."

Mr. BINGHAM. But you are a part, distinctively, of the War Department?

General MURRAY. Yes, sir.

Mr. BINGHAM. Just as the other bureaus are?

General MURRAY. Yes, sir. I might state further that the sole reason for desiring clerks for the Office of the Chief of Artillery is explained in full on page 587 of the Book of Estimates in a letter written by myself to the Secretary of War.

Mr. BINGHAM. And approved by him?

General MURRAY. And approved by the Secretary.

There is one slight correction that should be made in the letter, that is, in the third paragraph at the bottom of the letter where it reads "as nearly as practicable" it should read "one hundred dollars less than." The whole sentence in which this correction is made would read then, "This will give to the clerks an average pay of \$1,200."

That is the clerks in the office of the Chief of Artillery "one hundred dollars less than the average compensation of all the clerks in the War Department, as indicated in Table B appended here to."

In other words, I might say that this statement "as nearly as practicable" was correct when first written, but when I submitted

the estimates to the Secretary he cut the estimates so that the average pay for the clerks asked for in the Office of the Chief of Artillery came to \$100 less than instead of as nearly as practicable the same average as clerks in the other offices in the War Department.

Mr. BINGHAM. In other words, had he approved the original estimates there would have been no necessity for the change.

General MURRAY. That is correct.

Mr. BINGHAM. In the estimates you now submit to us, are the salaries larger or smaller than are now paid under current law?

General MURRAY. The same as are paid under current law as near as can be calculated. It is \$4,120 more than is paid at the present time.

Mr. BINGHAM. How long has this force been doing this work under the appropriation for the Chief of Staff?

General MURRAY. Since the office of Chief of Artillery was organized in February, 1901.

Mr. BINGHAM. In the transfer of the appropriation as a bureau of the War Department under this bill you want \$4,000 more?

General MURRAY. In order to give me an increase of two clerks over the present office force and a slight increase in the salaries of the different clerks in the office.

Mr. BINGHAM. In order to make the records clear please send us a list of your subordinate force and the salaries now paid.

General MURRAY. I will do so.

CLERKS—OFFICE OF THE CHIEF OF ARTILLERY.

MEMORANDUM FOR CHAIRMAN OF LEGISLATIVE COMMITTEE, HOUSE OF REPRESENTATIVES.

The following is the present and proposed schedule of clerks and messengers in the office of the Chief of Artillery.

Present.			Proposed.		
No.	Class.	Cost.	No.	Class.	Cost.
0	\$1,800.....		1	\$1,800.....	\$1,800
1	1,600.....	\$1,600	1	1,600.....	1,600
0	1,400.....		2	1,400.....	2,800
a 4	1,200.....	4,800	4	1,200.....	4,800
b 7	1,000.....	7,000	4	1,000.....	4,000
0	900.....		2	900.....	1,800
2	Messengers.....	1,440	3	Messengers.....	2,160
Total.... 14		14,840	Total... 17		18,960

^a One listed under this heading is an enlisted man (Master Gunner) whose compensation including allowances is estimated at \$1,200.

^b Three of these are temporary clerks employed from an emergency fund of the War Department.

In comparing the proposed with the present schedule, it should not be considered as a plan for promoting clerks now in the office. It practically amounts to an original organization of the office force.

The temporary clerks and the enlisted man will be discharged and four (4) of the General Staff clerks will be returned to the General Staff.

Four (4) clerks will be retained and rated according to their several abilities, and the other vacancies will be filled by original appointments and transfers from other departments.

It is particularly necessary to get a new and competent man for the \$1,600 vacancy to act as chief clerk in the absence of the present incumbent.

ARTHUR MURRAY,
Brigadier-General, Chief of Artillery.

WASHINGTON, D. C., January 27, 1908.

PUBLIC BUILDINGS AND GROUNDS.

STATEMENT OF COLONEL CHARLES S. BROMWELL, U. S. A., IN-CHARGE.

ASSISTANT ENGINEER.

Mr. BINGHAM. For the assistant engineer you are asking an increase to \$3,000?

Colonel BROMWELL. Yes, sir. He is my assistant here; he is in charge of everything.

Mr. BINGHAM. How many buildings are there that he has to cover in his supervision?

Colonel BROMWELL. He is a civil engineer. He has charge of all the new work of construction and of repairs, he has supervision of the White House and certain buildings of the War Department which are under our supervision as far as repairs are concerned. I have been gradually putting him more and more in charge of everything. When I came here there were four or five different heads and I have concentrated everything in his hands.

Mr. BINGHAM. How long has he been there?

Colonel BROMWELL. I think nine years.

Mr. BINGHAM. Is he thoroughly competent?

Colonel BROMWELL. Yes, sir.

Mr. BINGHAM. Why the increase?

Colonel BROMWELL. Because I think he is worth more than \$2400. Last year he had an offer of \$3,000 from private people.

Mr. BRICK. Can you hold him at this salary?

Colonel BROMWELL. Yes, sir.

Mr. GILLET. Has he had this salary all the time?

Colonel BROMWELL. He has had \$2400 for practically the last six years.

Mr. BRICK. Does he threaten to leave you?

Colonel BROMWELL. He brought up the matter last spring. He said he had this offer and I urged him to remain with me.

Mr. BURLESON. Do you believe you will lose him if you do not increase his salary?

Colonel BROMWELL. That is a little hard to say. At present I do not think the danger of losing him is nearly as great as it was last year, if the business conditions do not change. I know that he received this offer from a Chicago firm to take charge of their concrete work, with which he is thoroughly familiar. He considered it for a long time and I think it was only his loyalty to the office and the fact that he had been with us ten years which prevented his accepting it at once.

Mr. BRICK. He likes the work at your office and would prefer to remain?

Colonel BROMWELL. Yes, sir; because it permits him to remain at home with his family. If he were working with outside people he would have to travel from place to place and be separated from his family. He is thoroughly deserving of the increased pay.

PARK POLICEMEN.

Mr. BINGHAM. If you will observe page 175 and the several following pages cover your present force called watchmen at these public squares and other points, specifically indicated in your estimates. In your proposition you entirely and radically change your force.

Colonel BROMWELL. No, sir.

Mr. BINGHAM. I mean you change them from "watchmen" to "policemen?"

Colonel BROMWELL. They have always been policemen. They are called "watchmen," but their duties have been policemen's duties.

Mr. BINGHAM. You change their compensation?

Colonel BROMWELL. Yes, sir.

Mr. BINGHAM. Please explain your plan of organization?

Colonel BROMWELL. In the first place, I ask that the designation be changed from "watchmen" to "policemen," which exactly describes their duties. In the second place, I ask for no increase of the present force or personnel. I intend to keep exactly what I have. In the third place, for the compensation I ask instead of their being paid a uniform rate of \$60 a month, as is the case now, that I be authorized to pay those that have been in the service less than three years \$780 or \$65 a month.

Mr. BINGHAM. That is an increase of \$15?

Colonel BROMWELL. Five dollars a month. Those who have been in the service over three years and less than five years, to pay them \$900 a year, that is \$75 a month, that is an increase of \$15, and those who have been in the service over five years, to pay them a thousand dollars a year, which is \$83.33 a month, that is an increase of \$23. I do not think the total increase will be over \$2,500 or \$3,000 on that basis.

Mr. BINGHAM. For your organization?

Colonel BROMWELL. Yes, sir.

Mr. BINGHAM. All those who have been in the service over two years will be increased and up to two years they will remain as they are?

Colonel BROMWELL. All those who have been in the service less than three years get an increase of \$5 a month.

Mr. BINGHAM. Then you make an increase of \$5 from the start?

Colonel BROMWELL. Yes, sir. Then those who have been in the service three years and less than five years get \$75 a month and those in the service over five years have their salary increased to \$83.33 a month.

Mr. BINGHAM. The plan of increase is based on length of service?

Colonel BROMWELL. Yes, sir.

Mr. BINGHAM. What is the reason for reorganizing your entire force?

Colonel BROMWELL. Their duties are just as important as the Metropolitan police. Last year or the year before the salary of the Metropolitan police was increased uniformly all along the line. The lowest private in the Metropolitan police receives \$75 a month.

Mr. BINGHAM. Are your hours as long?

Colonel BROMWELL. Yes, sir.

Mr. BINGHAM. Are the duties the same?

Colonel BROMWELL. Yes, sir.

Mr. BINGHAM. Do they have trouble with questionable conduct on the part of the people?

Colonel BROMWELL. Yes, sir; just as much as the Metropolitan police.

Mr. BINGHAM. Do they make arrests, etc.?

Colonel BROMWELL. Yes, sir; just like the Metropolitan police, except the people they have trouble with are the people in the parks. Something over 3,700 arrests and removals from the parks were made by the park policemen last year. It is just as important to keep the parks from becoming a place of refuge for criminals or for other objectionable people as it is to protect the streets. They have exactly the same duties to perform.

Mr. BINGHAM. Do you ask for any additional force?

Colonel BROMWELL. No, sir. The park policemen are appointed under civil service regulations. They are old soldiers who have been discharged from the Army and it is a requirement before we make the appointment that they shall have served nine years in the Army, three of which shall be as a non-commissioned officer. In addition to that, they have to pass a physical examination. They are sent up to the examining surgeon and they pass the same examination that a recruit does before going into the Army.

Mr. BINGHAM. How many of these policemen have you?

Colonel BROMWELL. About 39 now.

Mr. BINGHAM. How many of them are Army preference men?

Colonel BROMWELL. Since I have been here all of them have been Army men. I think, perhaps, there are eight or nine older men who were appointed before this plan was adopted.

Mr. GILLETT. Do they wear uniforms?

Colonel BROMWELL. Yes, sir.

Mr. GILLETT. Just the same as a policeman?

Colonel BROMWELL. Yes, sir; just the same.

Mr. GILLETT. Why should not the city of Washington have them as a part of their force, why should we pay for them separately?

Colonel BROMWELL. That involves the question of jurisdiction over the parks. If the United States retains control over the parks they must retain control over the policing of the parks.

Mr. GILLETT. Can not a city policeman make an arrest in a park?

Colonel BROMWELL. Yes, sir.

Mr. GILLETT. Why should we want to pay the police charges?

Colonel BROMWELL. In the first place, if the parks were turned over to the Commissioners they would immediately ask for just as many watchmen as we have for the extra work. You would not gain anything.

Mr. GILLETT. I was wondering why the city does not run that as it does the rest of the city?

Colonel BROMWELL. If the United States retains control over the parks we should retain control of the police jurisdiction.

Mr. TAWNEY. Is it not a fact that this service grew up shortly after the Civil War as the result of a desire on the part of either Congress or the Executive Department to provide places for veterans of the Civil War and for a great many years there was not any man on the force except veterans of the Civil War?

Colonel BROMWELL. I can not answer that question.

Mr. TAWNEY. I understand that was the origin of the service and now it has become a part of the police service of the City of Washington.

Colonel BROMWELL. The men on the force, with the exception of two or three old men, who have been on the force 25 or 30 years, are just as efficient as the Metropolitan police.

Mr. TAWNEY. How many arrests did the park policemen make during the last fiscal year?

Colonel BROMWELL. There were 286 arrests, 2,548 drunkards ejected from the parks and 886 other objectionable people.

Mr. BRICK. What is the average age of your men?

Colonel BROMWELL. I think they will average about 45 years of age. We have one man who is 78 years of age, I think.

Mr. BRICK. Most of them are young men?

Colonel BROMWELL. Yes, sir.

Mr. GILLET. The old man is a veteran of the war?

Colonel BROMWELL. Yes, sir. I think he has been there for twenty-five or thirty years.

Mr. GILLET. You do not find any trouble in filling the places?

Colonel BROMWELL. No, sir; there are always plenty of applications from the discharged soldiers.

Mr. TAWNEY. Soldiers discharged from the regular Army?

Colonel BROMWELL. Yes, sir. Before they are appointed they must show by their discharge papers that they have served at least nine years in the Army and at least three years as a non-commissioned officer. That gives us a very excellent force. Since I have been here I have always given preference to the younger men.

Mr. BRICK. It is still a place to put Army men?

Colonel BROMWELL. Yes, sir.

Mr. BRICK. All of them have been in the Army?

Colonel BROMWELL. Yes, sir. I had the civil service regulations changed or Col. Bingham did, requiring all appointments to be made in that way.

Mr. GILLET. The night watchmen perform the same duties as the day policemen?

Colonel BROMWELL. Yes, sir; the only difference is that their tour of duty is at night.

Mr. BINGHAM. What officers have you in your organization?

Colonel BROMWELL. Only one sergeant.

Mr. BINGHAM. You have increased his salary to \$1050?

Colonel BROMWELL. Yes, sir.

Mr. TAWNEY. Do you ask for the same increases that you asked for a year ago?

Colonel BROMWELL. Yes, sir. Of course the classes will change from year to year. Those in service three years this year will next year get an increase, but at the same time the vacancies caused by their promotion will be filled.

Mr. BINGHAM. What is your estimate for next year?

Colonel BROMWELL. Not over \$3,000, I am not quite sure.

Mr. BINGHAM. You have placed them on a basis of equal compensation with the Metropolitan police?

Colonel BROMWELL. No, sir; I have not asked for as much as they receive.

Mr. BINGHAM. Can you indicate what they receive?

Colonel BROMWELL. The lowest private in the Metropolitan police force receives \$75 a month. Officers who have served three years receive \$90 a month; those who have served five years receive \$100 a month. I have asked for \$65 instead of \$75; \$75 instead of \$90, and \$83.33 instead of \$100.

Mr. BRICK. I find that there is an increase of about \$7700 in the total of the items under your jurisdiction, if I get it right.

Colonel BROMWELL. I am sorry I have not those figures at hand.

Mr. BRICK. That is the way it shows on the bill under these items.

Colonel BROMWELL. I presume that is right.

Mr. BINGHAM. Then your first statement was an error?

Colonel BROMWELL. Yes, sir; that was an error.

PURCHASE AND REPAIR OF BICYCLES, &C.

Mr. BINGHAM. "For purchase and repair of bicycles, revolvers, for park policemen and for purchase of ammunition, \$300." That is a new item?

Colonel BROMWELL. Yes, sir.

Mr. BINGHAM. What is your allowance now?

Colonel BROMWELL. I have no allowance. I have been taking it from the park fund. It can be done just as well by increasing the contingent appropriation from \$700 to \$1,000.

Mr. BINGHAM. You really need that amount?

Colonel BROMWELL. Yes, sir. I have been equipping the police force as best I could and as fast as I could spare the money. I find that the watchmen can get around much more rapidly and they can take care of the fast driving and automobiles which they otherwise could not do.

STATE, WAR, AND NAVY DEPARTMENT BUILDING.

STATEMENT OF LIEUTENANT JOHN H. POOLE, U. S. A., SUPERINTENDENT.

Mr. BINGHAM. Have you been able to accomplish on account of the introduction of your new system the saving you promised us a year ago?

Lieutenant POOLE. Yes, sir, I think I am safe in saying that the saving is a little bit larger than I promised the Committee. The saving I mentioned at that time was \$28,020 and I can now show an absolute saving of \$31,000. It is very probable that two or three thousand dollars more a year are being saved on repairs, oil, waste, and little things of that sort, which I can not definitely ascertain until we have run the plant for a year.

Mr. GILLET. What plant is this?

Lieutenant POOLE. The plant for furnishing electric power and heat for the State, War and Navy Department building.

Mr. BINGHAM. We gave you how much?

Lieutenant POOLE. \$109,000. I might say that the plant also lights six outside buildings, including the White House.

Mr. GILLET. Where is the building?

Lieutenant POOLE. At 17th street and Pennsylvania Avenue. The plant is in the sub-basement of the State, War and Navy building. The boiler room is now out in the court yard.

CLERK—INCREASE OF COMPENSATION.

Mr. BINGHAM. You ask for one clerk of class two instead of one clerk of class one?

Lieutenant POOLE. Yes, sir.

Mr. BINGHAM. What is the necessity?

Lieutenant POOLE. Because I am unable to obtain a clerk who is capable of doing the work for the amount now allowed. I have put that in the form of a letter to the Chairman of the Committee and if you care to hear it I will read the paragraph which explains that as concisely as I can possibly put it:

The increase asked for in the salary which I pay my clerk is absolutely necessary because a man capable of doing the work properly can not be obtained for \$1,200 a year. Practically my entire time is taken up with technical work in connection with the mechanical and structural improvements and repairs necessary in this building and the Mills building. A large part of this time must be spent out of my office and at times out of town. I have no assistant to leave in charge and it is imperative that I should have a clerk capable of taking the entire office work off my hands, and of assuming charge during my absence. The present incumbent is a good \$1,200 clerk, but I have found it necessary to direct him to look for some other position, not on account of any misbehavior, but because he is not competent to do the work which I must have done.

CAPTAIN OF THE WATCH.

Mr. BINGHAM. You ask to increase the compensation of the Captain of the Watch from \$1,200 to \$1,400?

Lieutenant POOLE. Yes, sir.

Mr. BINGHAM. How many men has he under him?

Lieutenant POOLE. Forty-nine.

Mr. BINGHAM. Why do you make that increase?

Lieutenant POOLE. I have in my letter to Mr. Tawney a paragraph which I will read:

During the present fiscal year I am accomplishing with forty-nine watchmen what has previously required fifty-eight, and I do not think I am wrong in saying that the efficiency of the smaller force is above that of the old.

Mr. BINGHAM. That is a part of the saving?

Lieutenant POOLE. Yes, sir.

The success of this change has been almost entirely due to the cooperation and faithful support given me by the captain of the watch force. I am confident that the encouragement and stimulus that this small promotion will give to the man who has served in the position faithfully and well for eighteen years will be worth to the Government many times \$200 a year. The successful operation of the reduced watch force alone makes a yearly saving of over \$6,000.

BRICKLAYER.

Mr. BINGHAM. You ask for one bricklayer at \$900 and you drop one skilled laborer?

Lieutenant POOLE. Yes, sir; that is an increase of \$5 a month.

Mr. BINGHAM. What does a skilled laborer get?

Lieutenant POOLE. \$840 and this man is to get \$900.

Mr. BURLESON. That is creating a new position?

Lieutenant POOLE. Yes, sir; a new name. He is really a bricklayer.

Mr. GILLET. Why do you need a bricklayer in connection with your plant?

Lieutenant POOLE. There is constant work in repairing the fireplaces and there is also the repairing of the heating coils in the sub-

basement which are bricked up. When a leak occurs the heating chambers are torn away, the coils repaired, put back, and bricked up.

Mr. GILLET. Have you enough of that kind of work to keep one man busy?

Lieutenant POOLE. Yes, sir. At times I have to take on an emergency man. If the Committee should prefer it he could be retained as a skilled laborer at \$900.

Mr. BURLERSON. But there are six other skilled laborers at \$840 and it would cause trouble among them.

Lieutenant POOLE. Bricklayers on the outside are very expensive. For \$900 I am getting the services of a very good bricklayer.

Mr. BINGHAM. Would his average pay reach that or more?

Lieutenant POOLE. I think more.

Mr. BINGHAM. What is a day's pay?

Lieutenant POOLE. I have to pay \$5 a day when I take a man on. In other cities it is more. I know they are paying \$8 and \$10 a day in San Francisco, but of course that is unusual. I can get a man for \$5 a day to help this man whenever it is necessary to have two men.

LABORERS.

Mr. BINGHAM. You now have eighteen laborers and you want twenty?

Lieutenant POOLE. Yes, sir; that is an increase of two.

Mr. BINGHAM. Do you need them?

Lieutenant POOLE. Yes, sir. I have greatly cut down the force of firemen. In previous years they had twenty-nine. Now I only have ten.

Mr. BINGHAM. That was one of your proposed economies?

Lieutenant POOLE. Yes, sir. I found there was a great deal of labor that was not exactly fireman's work, which was done by the firemen and I find I absolutely need two more men to keep the building up, clean the approaches and doorways and a multiplicity of things done by laborers.

FOREWOMEN.

Mr. BINGHAM. You ask for forewomen leaving out the words "of charwomen?"

Lieutenant POOLE. Yes, sir. I have four gangs on the work, each under a forewoman, who receives \$300 instead of \$240. She looks after the cleaning material, has supervision over her own women, and is responsible for the cleaning of a definite portion of the building.

Mr. BINGHAM. Do they not have a number of forewomen in the Treasury Department?

Lieutenant POOLE. I can not say.

Mr. BRICK. What do the charwomen get?

Lieutenant POOLE. \$240 a year.

Mr. BRICK. These forewomen get a little more, there will be no trouble about that?

Lieutenant POOLE. No, sir. They get \$300 a year. There is no change. It has always been that way. We have always had the forewomen in charge of the gangs of charwomen.

MILLS BUILDING.

Mr. BINGHAM. You now have charge of the Mills building?

Lieutenant POOLE. Yes, sir; only I have no authority. The office of superintendent of the State, War and Navy Department building has definite duties assigned to it. When I took the office I was merely directed by the Secretary of the Navy to look after the Mills building and I have done that ever since. The appropriations have never been under my control, although I have been responsible for the building, and I have not had the appointment and discharge of the employees, nor the disbursement of the funds. I presented this case to the Secretary and requested that if I were to continue in charge the building be actually placed under my control by the Committee on Appropriations, the appropriation to be a part of my appropriation, and that the Mills building for the purposes of administration be considered as a part of the State and War and Navy building as it really is. This change is to bring that condition about.

SUBORDINATE FORCE.

Mr. BINGHAM. Are these the compensations that the subordinate force now receives?

Lieutenant POOLE. There is a slight change. I have omitted one man. Where they have a plumber I left him out. I think my plumber can look after all the plumbing work in the Mills building. If I am allowed by Congress to consider the Mills building under my control, I can use my men for any little jobs over there, so it will be a great economy. As it is now, if I want to varnish a floor in the Mills building I have to send out and get estimates from local firms, and they will come in and charge me \$20 for what I could get done with my own men with \$3 worth of material.

Mr. GILLET. Where is it now?

Lieutenant POOLE. Under the Secretary of the Navy.

Mr. BINGHAM. The expenses are paid out of what fund?

Lieutenant POOLE. They have a regular appropriation.

Mr. BINGHAM. Under the Navy Department?

Lieutenant POOLE. Yes, sir. The Secretary of the Navy has submitted his estimates with the understanding that if you gentlemen make this change the Navy Department's estimates shall be cancelled, or if you permit it to remain as it is, that my estimates shall be cancelled.

Mr. GILLET. Do they get the same compensation?

Lieutenant POOLE. I have made some changes. I have asked that the man in charge be given \$1200.

Mr. GILLET. What does he get now?

Lieutenant POOLE. \$1000. He is rated as an assistant engineer and I want to make him an engineer in local charge.

Mr. BINGHAM. Do you need an engineer for that small building?

Lieutenant POOLE. Yes, sir; he is really an assistant superintendent, and is in local charge of the Mills building. He handles the time record of all the employees, the charwomen, laborers, and elevator conductors, besides his own firemen. He receipts for property and he makes his own requisitions. He is really an assistant superintendent.

Mr. BINGHAM. He only has supervision over four firemen, two elevator conductors, five watchmen, four laborers, one forewoman and nine charwomen?

Lieutenant POOLE. He also has two boilers and two generating sets.

Mr. BINGHAM. That is his business as an engineer?

Lieutenant POOLE. Yes, sir.

Mr. BURLESON. Are the salaries carried in this item in excess of the salaries carried in your department?

Lieutenant POOLE. The appropriation necessary for the maintenance of the Mills building under the proposed condition will be less than under the old.

Mr. BURLESON. Are the salaries carried in this new item in excess of the salaries paid to employees of like character in the War, State and Navy Department building?

Lieutenant POOLE. No, sir; I try to keep them practically the same. We have no forewoman in the Mills building today and although there only a few women still she has charge of the property, and I think she should get the same pay as the forewomen in the State, War and Navy building. It is merely \$5 a month additional.

Mr. BINGHAM. Does not the one you recognize as chief in your building, the State, War and Navy building, have supervision today?

Lieutenant POOLE. Of the women in the Mills building?

Mr. BINGHAM. Yes, sir.

Lieutenant POOLE. No, sir. My captain of the watch looks after the charwomen in the Mills Building and after the watchmen over there, although it is not a part of the State, War, and Navy building.

Mr. BINGHAM. You have supervision and control, but the items and all the details come under the Navy Department?

Lieutenant POOLE. Yes, sir.

Mr. BINGHAM. Now you want them in here, as a part of the State, War, and Navy building?

Lieutenant POOLE. Yes, sir; so I can do all the disbursing. As it is now, I must submit a request for a small purchase to the Secretary of the Navy, then I make the purchase, O. K. the bill and it goes up to the disbursing clerk of the Navy Department. It duplicates work. I could do it all in my office without any increase of force.

Mr. BRICK. You think it better for you to have supervision of the Mills building?

Lieutenant POOLE. Yes, sir.

Mr. BRICK. Have you any reason?

Lieutenant POOLE. It will be more economical for the government, I think I can run it cheaper. Another thing, there is an underground connection between the Mills building and the State, War and Navy building. It is there by accident. An eight inch pipe was put in there fifteen years before the Mills building was ever thought of to carry electric cables, and so if I have charge of that I expect to use this underground connection to supply both electricity and steam for the Mills building from the State, War and Navy Department plant, which would make a big saving. I do not feel like doing that when the building is not really under my control.

Mr. BRICK. How much did you save on the plant?

Lieutenant POOLE. About \$33,000.

Mr. BRICK. And you told us how much?

Lieutenant POOLE. \$28,000. I cut off \$10,000 for the coal and \$18,000 from the payroll. It just about cuts the coal bill in half.

STATE DEPARTMENT ANNEX.

Mr. BINGHAM. The next item is "in case the State Department Annex is placed under this office and for salaries."

Lieutenant POOLE. That is practically the same thing, except it is a new building. The building has just been rented by the State Department this year and in renting it they seemed to have overlooked the fact that it was necessary to have it cared for and they came to me to look after it. I could not of course do it out of the present appropriation for the State, War and Navy building.

Mr. BINGHAM. Have they not any fund?

Lieutenant POOLE. They do not seem to have any so I suggested that they put in an estimate and request that it be considered as another part and parcel of the State, War and Navy building.

Mr. BINGHAM. Has the Secretary asked for this appropriation?

Lieutenant POOLE. Yes, sir.

Mr. GILLET. That is just the new small building?

Lieutenant POOLE. Yes, sir.

Mr. GILLET. Why do you want three watchmen?

Lieutenant POOLE. In order to have one there all the time.

Mr. GILLET. Why do you need one there all the time?

Lieutenant POOLE. There are valuable papers there.

Mr. GILLET. You have your watchmen right across the street?

Lieutenant POOLE. I have none I could spare to send over there. In case of fire there should be some one there to give the alarm. Another thing, the heating boiler should not be allowed to go out every night. The building would be cold and unhealthy for the clerks to come into in the morning.

Mr. GILLET. There are lots of houses that do not have watchmen just because they have a furnace?

Lieutenant POOLE. Then they have some other employee to care for the furnace.

Mr. GILLET. In some private houses they do not have any one to look after the fire from ten o'clock at night until the morning?

Lieutenant POOLE. The two hours that you have just mentioned would carry me out of the eight hour law. If a man goes to work at eight o'clock in the morning he comes off at four.

Mr. GILLET. Why do you need three?

Lieutenant POOLE. In order to have one there all the time.

Mr. BRICK. Do you really need one in the daytime.

Lieutenant POOLE. Yes, sir: I would not want to take charge of the building otherwise. Every watchman is allowed thirty days' leave and they all take it. Every man is allowed thirty days' sick leave and sometimes there are two off at a time.

Mr. BRICK. What do you pay them?

Lieutenant POOLE. \$60 a month.

Mr. BURLESON. Why do you want two laborers?

Lieutenant POOLE. To clean around the building and handle the coal.

Mr. BURLESON. You have charwomen?

Lieutenant POOLE. The laborers have to clean the outside and the furnace room. The charwomen clean only the corridors.

Mr. BRICK. Would not one laborer do for that building?

Lieutenant POOLE. No, sir. What would I do when the laborer is off on leave or is sick?

Mr. BURLESON. The charwomen only clean the corridors?

Lieutenant POOLE. Yes, sir.

Mr. BURLESON. They do not clean the offices?

Lieutenant POOLE. Not in the State, War and Navy Department building. They do clean the offices of the three secretaries because there are brasses and other fixtures to clean. The offices themselves are cleaned by the messengers employed by the different bureaus who occupy the offices.

Mr. BURLESON. Why could not the charwomen clean the offices in that little building?

Lieutenant POOLE. I said they would clean the offices in that building, but in the State, War and Navy building they do not.

Mr. BURLESON. You ask for two laborers?

Lieutenant POOLE. They are to clean off the front and handle the freight.

Mr. GILLETT. The front of what?

Lieutenant POOLE. Front of the building and clean the furnace room.

Mr. BRICK. Do they look after the furnace?

Lieutenant POOLE. Yes, sir; the laborers do.

Mr. BURLESON. Do you think there should be \$4,000 appropriated for the purpose of looking after that little building?

Lieutenant POOLE. That sounds pretty large, but I think it should be allowed. It costs over \$100,000 to look after the State, War and Navy Department building.

Mr. GILLETT. That includes various other things; it is not just the laborers?

Lieutenant POOLE. The pay roll is a little over \$112,000. If any occasion arises so that I would not need the extra laborer I could find very good work for him in my building.

Mr. GILLETT. Why could not one of the watchmen in your building keep his eye on this small building?

Lieutenant POOLE. He has his own regular watch.

Mr. GILLETT. Why could he not walk over there occasionally in the night?

Lieutenant POOLE. I do not think it would be advisable.

I think I have cut the watch force down as far as possible. Forty-nine watchmen are never on duty. There are always one or two away or sick. Just their annual leave alone will take four away at a time.

Mr. BRICK. Can you cut the next item down?

Lieutenant POOLE. No, sir; you appropriated \$33,000 for the current year and I have cut it down to \$30,000.

Mr. BRICK. You can not cut it any more?

Lieutenant POOLE. No, sir; not this year anyway. I do not think it would be safe to go any further down. I said in my report that the coal bill would be \$15,000 instead of \$30,000, when I asked for the appropriation I estimated on \$20,000, instead of \$30,000, for coal, and now I have cut \$3,000 more, which leaves me only \$2,000 leeway.

ELECTRICAL MACHINIST.

Lieutenant POOLE. There are two changes which I would ask the Committee to make. They were not incorporated in the estimates because the necessity did not arise until after my estimates were submitted early last fall. One is the request that one assistant engineer be omitted from my force in the State, War and Navy Department building and one electrical machinist at an increase of \$200 be allowed. That is, \$1200 instead of \$1000.

Mr. GILLETT. Is it to be the same man?

Lieutenant POOLE. Yes, sir; I very nearly lost him this year.

The new turbine driven electric generators, the new heating apparatus, and the new high power boilers are all giving good service, but I find they need somewhat more skilled attention than was required for the old low power units. To properly care for and supervise the operation of this machinery and apparatus I find I must have a competent electrical machinist. To offset this increase I have omitted one engineer from my estimates.

Mr. BINGHAM. In lieu of six assistant engineers you ask for five?

Lieutenant POOLE. Yes, sir.

Mr. BINGHAM. And then you insert one electrical machinist at \$1200?

Lieutenant POOLE. Yes, sir.

Mr. BINGHAM. Therefore the only increase is \$200?

FIREMEN—SECOND CLASS.

Lieutenant POOLE. Yes, sir. Then a little further down I ask that the designation of three laborers be changed to firemen, second class. That is for purposes of administration only. It does not change the pay at all. I want seventeen laborers and three second class firemen, instead of twenty laborers.

Mr. BURLESON. Do the laborers and the firemen get the same compensation now?

Lieutenant POOLE. No, sir. The laborers and the second-class firemen will get the same compensation. I want them to work in the boiler rooms and fire the boilers in emergency.

Mr. GILLETT. Can not you use them as such?

Lieutenant POOLE. If they are appointed as laborers they say that they are not required to do that work by law. If they are appointed as second-class firemen there will be no difficulty. It is my intention whenever a vacancy occurs in the position of first-class firemen to fill it by promotion from the position of second-class fireman.

Mr. BURLESON. You will not come back next year and ask for increased compensation for these second class firemen?

Lieutenant POOLE. No, sir.

I would like to have you insert the following language if I am put formally in charge of the two outside buildings:

And the superintendent of the State, War and Navy building shall also act as superintendent of the Navy Department Annex or Mills building and the State Department Annex building.

SATURDAY, *January 25, 1908.*

NAVY DEPARTMENT.

STATEMENT OF MR. TRUMAN H. NEWBERRY, ASSISTANT SECRETARY OF THE NAVY, ACCOMPANIED BY MR. F. S. CURTIS, CHIEF CLERK, NAVY DEPARTMENT.

OFFICE OF THE SECRETARY.

Mr. BINGHAM. First, you ask for an increase in the salary of the Assistant Secretary of the Navy, from \$4,500 to \$6,000. I suppose that is consistent with the action of the Secretary in making up the estimates.

Mr. NEWBERRY. I was not consulted in the matter at all.

Mr. TAWNEY. I want to ask you one question in regard to this, because it relates to all Departments; and I also desire some information for myself. Is it or is it not a fact that the Assistant Secretary in your Department, and the Assistant Secretary in all of the departments, is frequently called upon to act as the secretary, or the head of the department?

Mr. NEWBERRY. In the two years and a half that I have been there I suppose I have been acting secretary nearly half of the time. I will only say, for whoever my successor may be, and as a measure of his work, that there must be an acting officer who should be paid more than is paid now. There are about 20 commissioned officers in Washington who receive more pay than I do. I do not take in the service at large, but so far as the Navy Department is concerned, I am their superior in authority, and in the absence of the Sec'y have the direction of the department.

Mr. BINGHAM. Do you mean admirals?

Mr. NEWBERRY. Admirals and captains.

Mr. TAWNEY. The head of the department receives \$12,000, and the Assistant Secretary \$4,500.

Mr. NEWBERRY. Yes. In some of the departments he does now receive \$6,000. That is the case in the Interior Department.

Mr. TAWNEY. But that was only the case while the office was held by Judge Ryan, and it was by a special act.

Mr. BINGHAM. Clerk to Assistant Secretary \$2,100. That is entirely new. Have you now a designated clerk?

Mr. NEWBERRY. Yes, I have. This is a raise of \$300. There are two clerks in the office, one designated as clerk to the Assistant Secretary, and one as private secretary. They are both stenographers at \$1,800. This is for the chief one who has charge of the office, and the files and who also meets all of the senators and members who come to the office. He is a man who really should have a different grade than that of a clerk, because he has to anticipate the wishes of the gentlemen who come there, to save time and to use considerable ability. He is beyond the grade of a first-class clerk. This work requires a man of particular character, generally a young lawyer with good address and judgment. Since I have been there I have lost four of these men who were drawing \$1,800, because they were snapped up, taken away from there, and so this increase is a suggestion of mine with a hope of being able to keep these men, for a man who has the

ability to meet every day from ten to twenty men, and do it properly, is all important, and if he is well known we can not keep him at the salary paid now.

Mr. BINGHAM. This, however, is an independent increase?

Mr. NEWBERRY. An increase of \$300, yes.

Mr. BINGHAM. And for the promotion of a clerk in your office.

Mr. NEWBERRY. Yes, but it is less than that recommended by the Keep Commission.

Mr. BINGHAM. Do you want to appoint a new clerk?

Mr. NEWBERRY. No, sir, I will give the man who is there now \$300 more. It indicates that it is a new clerk, but that is a mistake; it is not an additional clerk.

Mr. GILLET. He is carried as a stenographer at \$1,800?

Mr. NEWBERRY. Yes, that is true.

Mr. BINGHAM. One clerk at \$1,000 is omitted from the estimates of the Secretary's office, and I suppose you drop him. Then there are three laborers at \$660 each omitted from the estimates of the Secretary's office, and provided for in the estimates for the Bureaus of Equipment, Navigation, and Supplies and Accounts.

Mr. NEWBERRY. Yes, that is for the purpose of straightening out the records of the Department so that the men will be paid in the office in which they are employed.

Mr. BINGHAM. That is good administration. Now please tell me exactly what addition is made.

Mr. NEWBERRY. The total additions in the Secretary's office amount to \$6,540; omissions \$2,980, making a net increase of \$3,560, of which \$1,500 is for the Assistant Secretary's salary. I will give them to you item by item: The increases begin with the \$1,500 for the assistant secretary. Then there is a \$300 increase, with a change of title from stenographer to clerk to Assistant Secretary. Then comes the appointment clerk, \$2,100, chief of Division of Correspondence.

Mr. GILLET. The appointment clerk now receives what?

Mr. NEWBERRY. \$1,600.

Mr. GILLET. He is carried as a third class clerk?

Mr. NEWBERRY. Yes, sir. In making the promotion, I made two promotions of \$200 rather than one of \$400, and that is the reason the appointment clerk is not getting as much as he ought to get, and as is paid in other departments. So there will be \$1,500 in the office of the Assistant Secretary; \$300 for the chief of Division of Correspondence, one clerk of class 3, new; one clerk of class 2, \$200; and one clerk of class 1, new. There is an increase of \$100 for the telegraph operator, from \$1,100 to \$1,200. There is an increase of \$60 for the mail messenger, and \$60 for the assistant messenger.

Mr. BRICK. Why do you increase the salary of the telegraph operator?

Mr. NEWBERRY. Because we have some difficulty in keeping him at \$1,100.

Mr. BRICK. But he cannot go outside and get \$1,200.

Mr. NEWBERRY. Well, I thought he could. He is very valuable, and a confidential man. We only have one telegraph operator, and I wish to say that our office is a pretty close run institution, and I know there is no extravagance there. As to this promotion for the tele-

graph operator, I will say that it is for long service too. As to the increase for the messenger I will say that that is because he has charge of all registered and other mail.

Mr. GILLET. That seems to be new. Do you not have a mail messenger now?

Mr. NEWBERRY. He is now a messenger at \$840 per year, and has been there a long time. He has charge of the registered mail and the distribution of all mail, and is not very well paid at that.

Mr. TAWNEY. What is the necessity of the change in the designation?

Mr. NEWBERRY. None whatever.

Mr. TAWNEY. Isn't it really for the purpose of getting the increase? I do not see why he should get any more than the ordinary messenger.

Mr. BRICK. This may make trouble for the rest of the messengers.

Mr. NEWBERRY. This particular man I have tried to give a definite title. If you call him a mail messenger it will be a recognition of duties that the ordinary messenger does not perform.

Mr. GILLET. I notice in the next line there is one messenger at \$900.

Mr. CURTIS. This messenger is the personal messenger to the Secretary, and in view of the fact that such messengers are paid \$900 in other departments, it was desired to pay him the same.

Mr. LIVINGSTON. I would like to ask why this new designation of Chief Division of Correspondence?

Mr. CURTIS. We desire to designate him as chief of the Division of Correspondence so that it would show more directly the character of his work. One of the reasons why he should have an increased compensation is that he has been there a great many years; he is a graduate of law and a very valuable and experienced man in the general correspondence of the Department.

Mr. BRICK. How old is he?

Mr. CURTIS. He is about thirty-eight years old.

Mr. BRICK. What do you call him now?

Mr. CURTIS. Clerk.

Mr. BINGHAM. According to this note: "If Congress approves provisions in estimates of the Superintendent of the State, War and Navy Department building, to also supervise force in Navy Department annex building, the amounts above estimated for under the caption, 'salaries, office of the Secretary of the Navy, fireproof building,' need not be appropriated for under the Navy Department," I understand that that is \$14,860. Do you ask for that whole amount?

Mr. NEWBERRY. That is my understanding of the estimate.

Mr. BINGHAM. Do you use that amount now?

Mr. CURTIS. Yes, we use the full amount.

Mr. BINGHAM. Will there be the same force, or does he ask for an increased force?

Mr. CURTIS. I think he asks for a decrease.

Mr. NEWBERRY. The Navy Department runs an individual plant across the street, and the superintendent looks after that. In the transfer I think we can make many economies in the purchase of coal and the operation. The Secretary of the Navy believes that it would be better administration to run it under one head instead of two.

CONTINGENT EXPENSES.

The next item is for contingent expenses, and we ask an increase of \$10,000 in that item.

Mr. BINGHAM. In the item for contingent expenses on page 210, it reads: For books and periodicals, including professional and technical books and periodicals, law books and necessary reference books for the department library. The item is changed materially I see. Your present law only calls for professional and technical books and periodicals, and you now include books and periodicals including law books and necessary reference books. Those latter are entirely new items.

Mr. NEWBERRY. But that is to do what we have already done before, in order to comply with the ruling of the comptroller.

Mr. BINGHAM. The effort was made some years ago, largely aided by your own department—perhaps more so than any other—to make the contingent expenses for the purchase of periodicals and books consistent in the various departments so far as we could. I suppose you buy periodicals, in the general sense, as well as law books and necessary reference books, but under the law the comptroller takes exception, saying that the verbiage under the contingent expense item does not cover the character of books that you purchased. So I wish to ask you if this additional language indicates another distinctive line of books, and is it an enlargement of the statute?

Mr. NEWBERRY. No, we are not allowed now under the present law to buy city directories, and in our business now with the different manufacturers all over the country, we are dependent upon the old, out-of-date directories. At the present time we have no way of getting these books, and if a man bids upon some of the supplies, we must have some method of looking that man up in order to ascertain that he is a responsible bidder, to get his address. And for that and many other reasons we are in need of city directories.

Mr. TAWNEY. Have you city directories now?

Mr. NEWBERRY. We have the old ones, but we haven't any of the new city directories.

Mr. TAWNEY. How did you buy those?

Mr. NEWBERRY. We bought those before the comptroller ruled that it was improper to buy them out of this fund.

Mr. BRICK. You can buy city directories under the law as it stands, can't you; and also reference books for the Department?

Mr. NEWBERRY. No, we cannot.

Mr. BRICK. I should think that the words "books and periodicals" would include almost anything.

STATIONERY, FURNITURE, NEWSPAPERS, ETC.

Mr. BINGHAM. The next item on page 211 I see also includes city directories. Under this item there is appropriation for this year of \$40,000, and you ask for \$50,000 for the next year.

Mr. NEWBERRY. \$40,000 is not enough. We ask for a \$10,000 increase for the following reasons: The first item in that \$10,000 increase is for telephone service, \$2,500. The legislative act approved in 1906 prohibited the use of naval appropriations for any of the expenses of the Navy Department and its various bureaus and offices in Washington. The estimate for 1908 for contingent

expenses were submitted so soon after the passage of this act that the cost of the telephone service of the Department, which had previously been paid from the naval appropriations "pay, miscellaneous" was not included in the estimate of amount required for the contingent expenses of the department. The expenditure for telephone service in 1907 were \$2,089.55, and we estimate that \$2,500 will be required for next year.

Mr. GILLETT. How have you paid for the telephone service?

Mr. NEWBERRY. Out of "pay, miscellaneous."

Mr. GILLETT. I thought you said that was forbidden.

Mr. NEWBERRY. It was forbidden by the legislative act.

Mr. GILLETT. But since that was forbidden how have you paid for it.

Mr. NEWBERRY. Now we have no appropriation to pay for it.

Mr. GILLETT. That does not apply to the current year?

Mr. CURTIS. We will have to do without a great deal of stationery and use \$2,500 of "Contingent Expenses" to pay for the telephone service.

Mr. GILLETT. How are you paying for the telephone service this year?

Mr. CURTIS. Out of contingent expenses of the Navy Department.

Mr. TAWNEY. Was the appropriation for contingent expenses of the Navy Department, stationery, etc., apportioned at the beginning of this fiscal year? I am referring to the appropriation of \$40,000. Was it apportioned by monthly or quarterly allotments?

Mr. CURTIS. Not by a quarterly allotment, but just an allotment to each bureau.

Mr. TAWNEY. I did not mean an allotment to the different bureaus, but I mean was the appropriation allotted by monthly or quarterly allotments so as to prevent the expenditure of more for this purpose in one part of the year than another part, thereby creating a deficiency.

Mr. CURTIS. There was no deficiency created, nor will there be any created.

Mr. TAWNEY. In other words, you have cut the garment to suit the cloth?

Mr. CURTIS. We have.

Mr. GILLETT. But what cloth have you cut in order to get the telephone service this year?

Mr. NEWBERRY. The appropriation for general stationery supplies. We have exhausted the entire stock of stationery supplies that we had on hand, and have gotten down so that I have issued an order to the effect that all stationery that had been printed shall now be printed by typewriter or mimeograph. That is the way we are running the Navy Department today.

Mr. GILLETT. That is, you are short.

Mr. NEWBERRY. Yes, we have used up all stationery supplies, and are now using the mimeograph and typewriters to indicate on the envelopes where the stationery comes from. It is not very ornamental, but we have to do it, and that is why we ask for this increase of \$10,000.

Mr. BINGHAM. In 1905 you got an appropriation of \$12,000, and a deficiency of \$2,000. That covered the demands under this head, I presume, at that time, did it not?

Mr. CURTIS. At that time the naval appropriation under the Bureau of Construction and Repair and Steam Engineering could be used for contingent expenses.

Mr. BINGHAM. How much?

Mr. CURTIS. I cannot tell how much.

Mr. TAWNEY. How much was expended out of the naval appropriation for contingent expenses in these other bureaus?

Mr. NEWBERRY. Approximately \$26,000, because it comes in in separate items as you will find.

Mr. BINGHAM. In 1906 we gave you exactly what you asked for, \$14,000. That you used, and came in for no deficiency. In 1907 we gave you \$14,000 but you asked for \$40,000, the difference, \$26,000, being given you in a separate item; but you received your full \$40,000. For 1908 you asked for \$40,000, which we gave you in the two items, the old item, and the special item. Now you present under this paragraph of the bill a new verbiage setting forth city directories, dictionaries, atlases, encyclopedias, railway guides, freight, passenger and express tariff books, which of course gives you larger freedom in purchase than under existing law. I want to know how you will cover fully that \$10,000 which you have asked for.

Mr. NEWBERRY. There will be an increase in allotments requested by the Bureau of Supplies and Accounts of \$4500, because we have increased the scope of that Bureau, they having now a mailing list to every manufacturer of every character of supplies, which increases tremendously the sending out of notices for the purpose of increasing the field over which the navy can purchase.

Mr. BINGHAM. In other words, you give that \$4500 to that purpose specially, and you give \$3,000 of that amount to increased cost of stationery and miscellaneous supplies?

Mr. NEWBERRY. Yes, \$3,000 for increase in the general cost, and that is for everything connected with the Depart. But in regard to the \$4500, I want to say that in addition to the envelopes, which is about \$1,000, I estimated that there would be \$3500 for increase of labor saving devices, such as tabulating machines, wide carriage typewriters for making up large forms to save printing; adding machines, addressographs, and all that tends to economy because it saves employees. One man with the adding machine can do the work of four or five.

Mr. BINGHAM. Do you drop any of those men in the estimates?

Mr. NEWBERRY. No, sir.

Mr. BINGHAM. You get the benefit of the machinery, but do not drop the men?

Mr. NEWBERRY. It saves a large increase in men, and of course those machines will not be required new every year. It is economy to use them in any office. The other \$3,000 is requested under contingent expenses because the work of the Department is constantly increasing and the amount paid for stationery and other supplies is higher than in previous years.

Mr. BINGHAM. It presents on its face a very large increase in the last two years.

Mr. NEWBERRY. But let me explain again that that is not a real increase because the item of \$26,000 had heretofore been paid carried in two bureaus, the Bureau of Steam Engineering, and Construction and Repair. It is no real increase.

Mr. BINGHAM. But you take them all in here?

Mr. NEWBERRY. Yes, sir.

RENTAL OF MILLS BUILDING.

Mr. BINGHAM. For rental of Mills Building \$24,500. That is under contract?

Mr. NEWBERRY. Yes, sir.

COAL, GAS AND ELECTRIC LIGHTING OF MILLS BUILDING.

Mr. BINGHAM. The next item is for coal, gas, and electric lighting of Mills Building \$4,500. That is the same?

Mr. NEWBERRY. Yes, sir.

Mr. TAWNEY. As to this item for fuel, do you know what the surplus in this appropriation is for 1908?

Mr. CURTIS. No, sir, I do not, but I know that they ran very close with that appropriation, and have every year.

Mr. NEWBERRY. I will send you that information as soon as I get to the Department.

Mr. TAWNEY. How are you paying for the coal?

Mr. NEWBERRY. It is all bought through Lieut. Poole. He does it now without any legislative authority, but I can give you the information definitely when I get to the Department.

Mr. TAWNEY. I see that it runs \$4500 every year. Although I should think that your expenditures under this item would be considerably less in a year like this than one during which there is a severe winter.

MESSENGER TO SECRETARY OF THE NAVY.

Mr. NEWBERRY. Before leaving I wish to say that I have a note from the Secretary of the Navy, who is sick at home, in regard to his messenger. He asked me if I would not suggest to the Committee the advisability of changing that amount to \$1,000 to make it conform with the salaries of messengers of other Cabinet officers, so I will have to ask you verbally to make the change from \$840, to \$1,000. That refers to the messenger to the Secretary.

Following was filed by Asst. Secy. Newberry:

NAVY DEPARTMENT,
Washington, December 3, 1907.

SIR: Referring to the estimates of this Department in connection with the Legislative, Executive, and Judicial Appropriation Bill for the fiscal year ending June 30, 1909, and in view of the following provisions contained in the Act approved March 18, 1904, viz.:

"Office of the Secretary: * * * On and after July first, nineteen hundred and four, it shall not be lawful for the Secretary of the Navy to employ in the Navy Department, at Washington, District of Columbia, and pay out of the appropriations for new ships, any civilian expert aids, additional draftsmen, writers, copyists, and model makers, except as herein or as may hereafter be specifically authorized." * * *

I have the honor to request that, to enable the Secretary of the Navy to employ and pay out of the appropriations "Increase of the Navy" and "Public Works" for the services of such draftsmen and other technical services as may be required to carry into effect the various appropriations under the aforementioned titles, the following clauses, similar to those contained in the Legislative Appropriation Act approved February 26, 1907, be incorporated in the Legislative Appropriation Bill for the fiscal year ending June 30, 1909; viz.:

After the appropriations for the Bureau of Construction and Repair, the following:

"The services of draftsmen and such other technical services as the Secretary of the Navy may deem necessary may be employed only in the Bureaus of Ordnance, Equipment, Construction and Repair, and Steam Engineering to carry into effect the various appropriations for "Increase of the Navy," to be paid from such appropriations: Provided, That the expenditures on this account for the fiscal year nineteen hundred and nine shall not exceed one hundred and twenty thousand dollars; a statement of the persons employed hereunder, their duties, and the compensation paid to each shall be made to Congress each year in the annual estimates."

After the appropriations for the Bureau of Yards and Docks, the following:

"The services of skilled draftsmen and such other technical services as the Secretary of the Navy may deem necessary may be employed only in the Bureau of Yards and Docks to carry into effect the various appropriations for "public works" to be paid from such appropriations: Provided, That the expenditures on this account for the fiscal year nineteen hundred and nine shall not exceed thirty thousand dollars; a statement of the persons employed hereunder, their duties, and the compensation paid to each shall be made to Congress each year in the annual estimates."

Lists of the persons employed in the several bureaus under the authority of the Legislative Appropriation Act approved February 26, 1907, accompanied the annual estimates of this Department for salaries for the fiscal year ending June 30, 1909, heretofore submitted.

Very respectfully,

V. H. METCALF, *Secretary*.

The CHAIRMAN, COMMITTEE ON APPROPRIATIONS,
HOUSE OF REPRESENTATIVES.

NAVY DEPARTMENT,
Washington, January 25th, 1908.

[Memorandum.]

The increase of \$10,000.00 in "Contingent Expenses, Navy Department" is made up as follows:

Telephone Service for Department.....	\$2,500
Increase in Allotment, requested by Bureau of Supplies and Accounts.....	4,500
Increased cost of Stationery and Miscellaneous Supplies, and increase in quantities required.....	3,000
Total.....	10,000

The Legislative Act, approved June 22, 1906, prohibited the use of naval appropriations for any of the expenses of the Navy Department and its various bureaus and offices in Washington. The estimates for 1908 for "Contingent Expenses" were submitted so soon after the passage of this act that the cost of the telephone service of the Department, which had previously been paid from the naval appropriation "Pay, Miscellaneous," was not included in the estimate of amount required for the contingent expenses of the Department. The expenditure for telephone service for the fiscal year 1907, was \$2,089.55, and it is estimated that approximately \$2,500 will be required for the year 1908 9.

The increase of allotment requested by the Bureau of Supplies and Accounts is necessary for the installation of labor saving machines and modern equipment in the interest of the public service and tending to the economy of operation by substituting a machine for a man, and so prevent a very great increase in clerks.

There has been a large increase in the amount of stationery, particularly envelopes, used by the Bureau of Supplies and Accounts in an effort to secure more and a wider range of competition in connection with the award of contracts for naval supplies. In the fiscal year 1907 the Bureau of Supplies and Accounts spent \$800 out of "Contingent, Navy Department" for envelopes. Up to January 18, 1908, the amount spent for envelopes was \$1,673.11.

Three thousand dollars (\$3,000) additional is requested under "Contingent Expenses" as the work of the Department is constantly increasing and the amounts paid for stationery and other supplies are higher than in previous years.

The estimates for the Secretary's Office, Navy Department, provide for 47 persons including the Secretary and Assistant Secretary. One clerk at \$1,000.00 and three laborers at \$660.00 each are dropped and are taken up on the rolls of the Bureaus in which they are actually employed. One clerk at \$1,600.00 (Appointment Clerk) and one assistant messenger at \$720.00 are dropped from the rolls of other bureaus and are taken up on the roll of the Secretary's Office in which they are at present employed.

Of clerks actually employed in the Secretary's Office, there is an increase of one. An increase of pay is submitted for eight (8) persons, as follows:

Assistant Secretary.....	\$4,500.00 to \$6,000.00
Clerk to Assistant Secretary.....	1,800.00 to 2,100.00
Chief, Division of Correspondence.....	1,800.00 to 2,100.00
Key Clerk.....	1,400.00 to 1,600.00
Telegraph Operator.....	1,100.00 to 1,200.00
Mail Messenger.....	840.00 to 900.00
Messenger.....	840.00 to 900.00
Appointment Clerk.....	1,600.00 to 2,100.00

Appointment Clerk—There are about 2,300 classified employees and about 24,000 laborers and mechanics employed. In 1897 there were but 1,300 classified employees and about 8,000 laborers and mechanics. In all other Departments the appointment clerk receives \$2,000 or more.

The Chief of the Division of Correspondence has charge of miscellaneous correspondence of the Secretary's Office, preparing for the signature of the Secretary or Assistant Secretary letters and endorsements to the President, to Congress, and the Committees thereof, Heads of various Departments, bureaus and offices of the Navy Department, and to individuals. By reason of long service in the Department the present incumbent has acquired a knowledge of precedents, routine of Departmental business which renders him of particular value to the Office; is a stenographer and graduate of law.

List showing number of clerical employees receiving \$1,200 or more separated from the Navy Department by resignation during the period, May 1, 1902, to September 17, 1907.

\$2,500.00.....	3
2,000.00.....	2
1,800.00.....	8
1,600.00.....	2
1,402.24.....	1
1,400.00.....	9
1,300.00.....	2
1,252.00.....	1
1,200.00.....	20

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List showing number of technical employees receiving \$1,200 or more separated from the Navy Department by resignation during the period, May 1, 1902, to September 17, 1907.

\$9.00	\$2,817.00.....	2
8.00	2,504.00.....	1
7.52	2,353.76.....	1
7.04	2,203.52.....	4
6.48	2,028.24.....	1
6.00	1,878.00.....	4
5.52	1,727.76.....	2
	1,600.00.....	1
5.04	1,577.52.....	10
4.72	1,477.36.....	2
4.48	1,402.24.....	1
	1,400.00.....	1
4.24	1,327.12.....	3
4.00	1,252.00.....	6
	1,200.00.....	2

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Statement showing salaries of appointment clerks in the several Executive Departments.

State Department, Chief of Division.....	\$2,100
Treasury Department, Chief of Division.....	3,000
Treasury Department, Asst. Chief of Division.....	2,000
War Department, Appointment Clerk.....	2,000
Interior Department, Chief of Division.....	2,250
Post-Office Dept. Appointment Clerk.....	2,000
Agriculture, Appointment Clerk.....	2,000
Commerce and Labor Chief of Division.....	2,250
Justice Appointment Clerk.....	2,000

LIBRARY OF THE NAVY DEPARTMENT.

STATEMENT OF MR. CHARLES W. STEWART, SUPERINTENDENT
NAVAL WAR RECORD OFFICE AND LIBRARY.

Mr. BINGHAM. For two clerks of class 2—that is simply a promotion, is it not?

Mr. STEWART. It is, sir.

Mr. BINGHAM. Is there any special reason for it?

Mr. STEWART. Some change of work, and very excellent work.

Mr. BINGHAM. This is not a library that increases very rapidly, is it?

Mr. STEWART. It is gradually increasing.

Mr. BINGHAM. I mean in the sense of the number of books, and so forth.

Mr. STEWART. Fairly rapidly; yes, it is increasing.

Mr. BINGHAM. What do you call “fairly rapidly?”

Mr. STEWART. Well, for us a thousand volumes a year is rapidly. Under the re-arrangement and the classification the work is increasing.

Mr. BINGHAM. Have your clerks been there a long time?

Mr. STEWART. Yes, sir.

Mr. TAWNEY. What is the character of this library?

Mr. STEWART. It is a professional and technical library, and about the only naval library in the country.

Mr. BRICK. Is there anything but professional books in it?

Mr. STEWART. There is no fiction, not very much of history, and it relates wholly to naval matters and to military matters; also to matters of administration, military laws, and matters which relate directly or generally to the administration of military and naval affairs.

Mr. GILLET. All fiction from all of those libraries has been ordered to the Congressional Library, has it not?

Mr. STEWART. I think so; I am not positive as to the others; but we have none.

Mr. BRICK. How long have your clerks been with you?

Mr. STEWART. Well, Miss Barney has been there since about 1893.

Mr. TAWNEY. Who is the other one?

Mr. STEWART. And Miss White has been there since 1891.

Mr. BINGHAM. Those are the two?

Mr. STEWART. Yes, sir.

Mr. TAWNEY. Are there any others in the Library that are detailed from any bureau?

Mr. STEWART. There is one man in the Naval War Record Office that is detailed from Yards and Docks.

Mr. TAWNEY. Where does he receive his pay from?

Mr. STEWART. He gets it from the Bureau of Yards and Docks.

OFFICE OF NAVAL RECORDS OF THE REBELLION.

Mr. TAWNEY. Do the rebellion records come under your charge?

Mr. STEWART. Yes, sir.

Mr. TAWNEY. What is the object in changing the designation of the chief clerk to superintendent; is it to increase his salary?

Mr. STEWART. That is one result of it. I have the work and have no one over me.

Mr. GILLETT. Are you chief clerk?

Mr. STEWART. That is my title, chief clerk, but I am designated superintendent.

Mr. BINGHAM. That is you are superintendent practically?

Mr. STEWART. Yes, sir.

Mr. BINGHAM. Then you ask for an increase of \$500 in your own compensation?

Mr. STEWART. Yes, sir.

Mr. BINGHAM. How long have you been there?

Mr. STEWART. I have been in this particular office ten years. I graduated from the Naval Academy, and have been in the Navy Department since leaving the Naval Academy, probably fourteen years.

Mr. GILLETT. Are not the naval records nearly finished?

Mr. STEWART. The compilation is approaching finish, yes, sir.

Mr. GILLETT. How soon do you think you will finish?

Mr. STEWART. Carrying out the original plan I should say approximately two or three years.

Mr. GILLETT. Is the original plan being carried out?

Mr. STEWART. Yes, sir. It was adopted in July, 1894.

Mr. GILLETT. It is not being extended then?

Mr. STEWART. No.

Mr. GILLETT. That means how many more volumes?

Mr. STEWART. Probably six.

Mr. GILLETT. How many have you now?

Mr. STEWART. Twenty-one have been distributed, and I have nearly finished the twenty-second.

Mr. BINGHAM. I would like to ask you with reference to this one agent, to be selected by the Secretary of the Navy from the officers of the late confederate navy. Is he the one who aids you in making up the volumes?

Mr. STEWART. Not to any great extent; he does it as well as he can.

Mr. BINGHAM. Who does that; do you do it?

Mr. STEWART. I do all of the selecting, yes, sir. I have some little assistance in it, but I pass upon every paper for insertion or elimination.

Mr. BINGHAM. And the agent is intended to look specially into the different lines of information?

Mr. STEWART. Yes, sir, and to collect it.

Mr. BINGHAM. How much do you increase your entire force in that line of work independent of the increases of salaries? Do you increase your force at all?

Mr. STEWART. There is one increase of an indexer asked for.

Mr. BINGHAM. One new subordinate?

Mr. STEWART. Yes, sir.

Mr. BINGHAM. Are you going to publish one volume or two.

Mr. STEWART. As I say, about six volumes more.

Mr. BINGHAM. That is in future?

Mr. STEWART. Yes, sir.

Mr. BINGHAM. But for the next publication, you ask, under this estimate, for \$21,000. How many will you publish?

Mr. STEWART. Two.

Mr. BINGHAM. That has been your usual annual number?

Mr. STEWART. Yes, sir.

Mr. BINGHAM. How do you do the printing?

Mr. STEWART. It is done by request on the public printer.

Mr. BINGHAM. He does it all?

Mr. STEWART. Yes, sir.

Mr. BINGHAM. And that is taken out of this appropriation?

Mr. STEWART. Yes, sir.

Mr. BINGHAM. That comes out of the sum total of \$21,000?

Mr. STEWART. Yes, every penny of it.

Mr. TAWNEY. Do you desire to submit anything further?

Mr. STEWART. Mr. Gillett asked me a question about the progress of the work, and I wanted to make a statement, without any criticism of the army records at all, to the effect that the method we have followed out is the elimination of all duplicated and quasi-duplicated matter as far as we can; in other words, the total set of naval war records, the entire work, will not include more than thirty volumes, and probably two volumes less than that, whereas if we had published all we had without that careful selection, and reading and re-reading, using the mass that was there as originally put together, it would have been seventy-five to one hundred volumes which would have been cumbersome. While we are working slower, we are working more economically.

Mr. GILLETT. The original plan contemplated about ten volumes.

Mr. STEWART. Yes, I think so.

Mr. BINGHAM. You have been publishing two volumes for some years?

Mr. STEWART. Yes, sir.

Mr. BINGHAM. And you are going as rapidly as you have been going for some years past?

Mr. STEWART. Yes, sir.

JUDGE ADVOCATE GENERAL'S OFFICE.

STATEMENT OF CAPT. EDWARD H. CAMPBELL, JUDGE ADVOCATE GENERAL, ACCOMPANIED BY MR. EDWIN P. HANNA, SOLICITOR.

Mr. BINGHAM. For a solicitor \$4,000. To be an assistant to the Judge Advocate of the navy, and to perform the duties of that officer in case of his death, resignation, absence or sickness—you want that to remain?

Capt. CAMPBELL. Yes, sir.

Mr. BINGHAM. What number of force have you?

Capt. CAMPBELL. In addition to the solicitor, we have fourteen clerks, and there are at present four officers——

Mr. BINGHAM. In other words your force consists of your subordinate force plus four officers detailed, and the solicitor, making a total of fourteen.

Capt. CAMPBELL. No, nineteen altogether including the officers.

Mr. TAWNEY. I see that there is an elimination of the language "to be an assistant to the judge advocate of the navy, and to perform the duties of that officer in case of his death, resignation, absence or sickness?"

Capt. CAMPBELL. I did not know that had been recommended. I see no objection to that language. I have only been here two months, and thinking that some points might come up that I might

not be prepared to answer, I have asked Mr. Hanna the solicitor to come up with me.

Mr. HANNA. I have no information about that language. The Secretary said something to me in regard to that, and it may be that Secretary Metcalf—

Mr. BINGHAM. The language is omitted in your estimate.

Mr. TAWNEY. It is descriptive of his powers and authority, and I cannot see any reason for its elimination; it ought to be there.

Capt. CAMPBELL. There is no reason why it should be eliminated.

Mr. BINGHAM. You have spoken of four details from the Navy. Are they officers?

Capt. CAMPBELL. Yes, sir.

Mr. BINGHAM. What do they do?

Capt. CAMPBELL. They are largely employed in the revision of courts-martial, the preparation of the charges and specifications in regard to courts-martial, and upon points of military law; also in interpretation of regulations.

Mr. BINGHAM. What is their rank?

Capt. CAMPBELL. One of them is commander on the active list; two of them commanders on the retired list, and one a captain of marines.

Mr. BINGHAM. I see you want one law clerk additional at \$3,000.

Captain CAMPBELL. Yes, sir. There are so many points of law coming up now concerning the contracts and the claims and numerous other things relating to civil law particularly, that come through our office, and which are at present handled practically altogether by Mr. Hanna, the solicitor, that it has become more than he can possibly do without more efficient assistance than he has now. He uses, of course, the clerks of different classes now to assist him, but he should have more assistance.

Mr. BINGHAM. How would that law clerk be appointed if he was given to you? I see you have estimated he should receive \$3,000.

Mr. HANNA. It is the intention to have him appointed by the Secretary.

Mr. BINGHAM. From the civil service?

Mr. HANNA. In that case probably not.

Mr. TAWNEY. Is it proposed to promote one of the \$1,800 clerks who is now acting as assistant law clerk to this new position?

Mr. HANNA. That would be a matter for the Secretary to determine in selecting the most efficient man.

Mr. TAWNEY. Have you a man now under you who would be competent to serve in the capacity of law clerk at \$3,000 a year if this place was created?

Mr. HANNA. Yes, sir, there is a young lawyer who would be well equipped—in fact two of them would be.

Mr. LIVINGSTON. Are they doing this work now?

Mr. HANNA. Yes, they are doing it as well as they can.

Mr. BINGHAM. You are asking additionally here for one law clerk at \$3,000, and one assistant law clerk at \$2,500, making \$5,500. You have two clerks, and you drop one, who is transferred. You then want two additional clerks of class 1. In other words, without any increase of the under the legislation now in effect how have you handled your law business with this seeming large increase in your distinctive law work?

Capt. CAMPBELL. We are practically up to date—not up to date altogether, but the only way by which we are able to do it is through Mr. Hanna and his assistants, and some of the officers, coming down holidays and Sundays, and by staying there nights. Mr. Hanna informed me this morning—he had said nothing to me about it before, and I did not know it—that three times this week he had been down at night until eleven o'clock in order to keep up the work.

Mr. HANNA. May I put in one word for the information of the Committee? We are not complaining; but since the 15th of last October I have worked, generally from eight to eleven o'clock every night excepting one night of each week. Two of my clerks—the two that I have been speaking of—have frequently worked from eight to eleven o'clock in addition to regular hours. The Secretary, Mr. Metcalf, when he saw the state of affairs, and saw the amount of work passing through the office, without any suggestion from us, put these assistants in. It emanated from him, not from us.

Mr. GILLET. What caused this increase of work; the trip of the fleet to the Pacific?

Mr. HANNA. Oh, no, that has nothing to do with it.

Capt. CAMPBELL. I have brought with me a rough statement showing the increase of work due to courts-martial. Of course, that is about half the office work and the other half has increased almost in the same proportion. This goes back to 1893, and covers the last fifteen years. It shows the increased work, and the corresponding increase of force.

Mr. BINGHAM. What has been your increase during the last year, speaking generally.

Capt. CAMPBELL. The number of summary courts martial last year, that is 1906, was 5,358, and this year it was 6,092. The number of general courts-martial last year was 1,504 and this year it was 1,613, an increase of 734 summary courts and 109 general courts. There is about the same corresponding increase in the contracts handled, and the general work of the office.

Mr. BINGHAM. In your estimate for 1908 we gave you what you asked for, \$21,160, and that is what you have to-day. You now estimate \$28,760 for the next year, which is a very radical change, or an increase of about 33 per cent.

Mr. TAWNEY. Is any part of this increase due to the rapid enlistment in the navy, that is, a greater number in the navy now than before?

Capt. CAMPBELL. Of course, the increase in the personnel of the navy increases the number of courts martial, as well as the examination of officers. With the increase of the enlisted personnel the courts martial naturally increase also.

Mr. LIVINGSTON. Is there any way of decreasing these courts martial instead of increasing them?

Capt. CAMPBELL. No, I do not know that there is.

Mr. LIVINGSTON. Who orders the courts martial?

Capt. CAMPBELL. The general courts martial are ordered by the Secretary of the Navy, or the commander-in-chief of a fleet. Summary courts martial are ordered by the captains of the different ships. There were about 6,000 of the latter this last year, and each one of them comes to this office for revision and to see whether it is in proper form.

Mr. LIVINGSTON. Do these courts martial accomplish much good?

Capt. CAMPBELL. They have a good effect upon the discipline of the navy.

Mr. LIVINGSTON. It does not seem to be so if you are increasing them.

Capt. CAMPBELL. But the personnel of the navy is increasing correspondingly.

Mr. TAWNEY. What is the nature of the charges considered in the summary courts martial?

Capt. CAMPBELL. The summary courts consider minor offenses, such as absence without leave, or overstaying leave for a short time—a few days; or drunk on board, or bringing liquor aboard, and things of that sort.

Mr. TAWNEY. The summary courts martial have jurisdiction only of the minor offenses.

Capt. CAMPBELL. Yes, sir.

Mr. TAWNEY. Do the judgments in all cases come to your Department for review?

Capt. CAMPBELL. They do not come for review, no, sir, excepting in case of loss of pay, when they come there to be approved by the Secretary, though they do come to our office to be gone over in those cases. But in most cases they do involve loss of pay or bad conduct discharge from the service, and in those cases they come to our office.

Mr. TAWNEY. Are these records voluminous; do you have to go over them and review them?

Capt. CAMPBELL. I should say the average case would cover five or six pages of typewriting, that is the summary courts. But one general court martial case came in the other day with 890 pages of typewriting to be gone over.

Mr. BRICK. You have nothing to do with deserters, have you?

Capt. CAMPBELL. A large proportion of the general courts martial are upon deserters, and all applications for clemency, and all matters that involve prisons or prisoners, are looked out for. Any questions relating to clemency are referred to our office for action. That is another thing that I should have mentioned; there is quite a good deal of that.

LAW BOOKS, BOOKS OF REFERENCE, ETC.

Mr. BINGHAM. For law books, books of reference, and periodicals of a legal character, \$100. That is new. Why can you not run on the rule that you have been running on, getting your allotment from the library appropriation. What is the objection if you get the same amount. Do you not get what you want?

Capt. CAMPBELL. Well, it does not go around, that is the trouble. The hundred dollars that we get from the other appropriation has been spent, and we need more.

BUREAU OF NAVIGATION.

STATEMENT OF COMMANDER CAMERON McR. WINSLOW, ASSISTANT TO BUREAU, ACCOMPANIED BY MR. EDWARD W. CALLAHAN, CHIEF CLERK.

Mr. BINGHAM. Have you had any deficiency?

Comdr. WINSLOW. No deficiency, no, sir.

Mr. BINGHAM. You ask for an increase from \$73,360 to \$85,000. As there are increases in practically all of your grades which indicate promotions, I will ask you to make a general statement without going into the various classifications.

Comdr. WINSLOW. The clerical force of the Bureau of Navigation has been below that of every other bureau of the Navy Department. The work of our bureau is fully as important, and certainly as hard, as that of any other bureau. We have had great difficulty in the past in retaining our clerical force because they have been so poorly paid. Other people have taken them away from us. If we get a good man, just as soon as his ability is found out, he is taken away from us.

Mr. BINGHAM. Is he taken away by somebody in the other bureaus of your department, or in bureaus of other departments of the government, or by outside interests?

Comdr. WINSLOW. Other departments of the government. Occasionally somebody in the Navy Department takes him away, but more often other departments of the government.

Mr. TAWNEY. Does that practice obtain now to any extent whatever since the enactment of a provision that requires continued service for three years before an employee can be transferred from one department to another?

Comdr. WINSLOW. It does not occur as much as it did.

Mr. TAWNEY. Why should it occur at all?

Comdr. WINSLOW. We had a case not long ago in the Navy Department where one of our most important men was offered a higher salary in the Assistant Secretary's office.

Mr. TAWNEY. The Assistant Secretary of the Navy?

Comdr. WINSLOW. Yes, sir.

Mr. TAWNEY. If it happens in the Department the man can be transferred; but have you had any transfers since the enactment of that law from the Navy Department to other departments for any reasons?

Comdr. WINSLOW. No, sir.

Mr. CALLAHAN. Sometimes clerks who have resigned are reinstated in the departments after a year; there is a ruling in reference to that. Again clerks resign and are appointed in other departments.

Mr. TAWNEY. That is, the civil service has come to the relief of clerks by allowing them to resign from their positions, and then appoint them from the eligible roll to another department?

Comdr. WINSLOW. And that law has operated to check a great deal of it. We know, however, in the Bureau of Navigation, that our clerks are poorer paid, probably, than in any other department of the government.

Mr. LIVINGSTON. You have been greatly increasing your appropriations from 1900 up to the present time. It is more than double what it was in 1900.

Comdr. WINSLOW. But we are increasing the whole navy rapidly. At the present time, for the number of men that we carry in the navy, and comparing our clerical force with the number of men carried in the army, I think you will find that we are greatly below them.

Mr. TAWNEY. How much of this recommended increase is based upon the probable increase in the navy for the next fiscal year, or, do you need this for existing conditions?

Comdr. WINSLOW. We also need it for the increase in the navy.

Mr. TAWNEY. Suppose that Congress should not provide for any further increase in the navy, would you then get along with the force you now have?

Comdr. WINSLOW. We do not get along now. We work our force on holidays, some of them, and practically every day we retain part of our clerical force over time.

Mr. GILLET. How much overtime do you have?

Comdr. WINSLOW. Until five o'clock, five-thirty and six o'clock.

Mr. GILLET. That is with a small fraction of the force.

Comdr. WINSLOW. A small fraction of the force, yes, but we are generally behind in the work.

Comdr. WINSLOW. We are recruiting more rapidly now than ever before.

Mr. GILLET. Does that affect the work under your Bureau particularly?

Comdr. WINSLOW. Yes.

Mr. TAWNEY. How?

Comdr. WINSLOW. Because all of the recruiting is done under the Bureau of Navigation.

Mr. BRICK. What class of clerks do you need the most?

Comdr. WINSLOW. This increase of appropriation was to give men who have important work in charge of divisions an increase of pay. Then we also need stenographers and typewriters. I suppose they need them in all forms of clerical work in these days, for we are obliged to work so rapidly now that we can not work without them.

Mr. BRICK. Is that what copyist means?

Comdr. WINSLOW. Nearly all are typewriters and stenographers.

Mr. GILLET. As secretaries to officers?

Comdr. WINSLOW. No, we do not have any secretaries to officers, they are engaged in the work of the Bureau.

Mr. GILLET. How do you need stenographers?

Comdr. WINSLOW. If you have letters or anything else to dictate, to write, you must use stenographers to dictate them to if you want to get through with it.

Mr. GILLET. You say you do not need them as secretaries to officers, and I was wondering what else you would use stenographers for.

Comdr. WINSLOW. I misunderstood your meaning. We get a very large number of letters from members of Congress, at the present time, and replies have to be dictated and dictated rapidly because we have so much of it. Of course, we could not stop to write those letters out for then we would never get through. It is very difficult now for a man to get a clerical position unless he is somewhat of a stenographer and can use the typewriter.

Mr. GILLET. Are these men used as secretaries to receive dictation from officers?

Comdr. WINSLOW. Officers and chiefs of divisions. The officers could not dictate all of the correspondence that goes out of the bureau; a good deal is dictated by chiefs of divisions.

Mr. TAWNEY. You now have fifty-nine clerks and copyists in your bureau.

Comdr. WINSLOW. We have sixty clerks and four laborers.

Mr. TAWNEY. Exclusive of the chief clerk you have fifty-nine, so the law provides.

Comdr. WINSLOW. We have four clerks of class 4; six clerks of class 3; five clerks of class 2; six clerks of class 1; thirteen clerks at \$1,000; three copyists at \$900; nineteen copyists at \$840—and we want to change that \$840 to \$900.

Mr. TAWNEY. But you propose to drop your nineteen copyists at \$840 and provide for twelve at \$900.

Comdr. WINSLOW. Yes.

Mr. BINGHAM. In connection with that point you ask for an increase of nine copyists over the three, and I will ask if you will take those nine from your present nineteen, and give them an increase of compensation. That is your purpose, is it not?

Comdr. WINSLOW. Yes, sir.

Mr. BINGHAM. That is, you will take those nine from the nineteen, and give them \$900; that is your increase, is it not? Why do you give up the other ten?

Mr. CALLAHAN. We do not give them up; we ask for nineteen clerks of a higher grade in lieu of the same number of copyists at \$840, in order that this low grade may be dispensed with.

Mr. BINGHAM. In these increases that you have asked for in the several classes your real purpose is to lift up in the higher grades; in other words, the body of your recommendation for increases is not an absolute increase of force, but largely an increase of compensation.

Comdr. WINSLOW. The increase of force is four.

Mr. BINGHAM. And the other goes to compensation. It is a difference of \$12,000. Your argument is that you want to so compensate your present force that they can not be taken away from you by temptation from the other departments of the government in officers of increased compensation?

Comdr. WINSLOW. Partly for that, but we think it is only fair that they should be paid what is paid in the other bureaus in the Navy Department. They do as important work, as hard work as in any other bureau. They have heretofore been paid less, and in the past we have had great difficulty in retaining our men.

Mr. TAWNEY. Under your recommendation you provide for an increase of how many clerks?

Comdr. WINSLOW. Four clerks.

Mr. BINGHAM. Then the remainder is for elevation.

Comdr. WINSLOW. It is very important that we should have those four clerks, because, as was suggested here a moment ago with regard to the personnel of the Navy, as that is increased it must necessarily throw more work on our bureau.

Mr. GILLET. What is this one clerk at \$2,000?

Comdr. WINSLOW. It is a clerk for the Naval Academy. He has charge of all the affairs of the Naval Academy in the bureau.

• Mr. GILLET. What does he get now?

Comdr. WINSLOW. \$1,800, while \$2,000 is the sum which the clerk in the Army has for the West Point affairs.

Mr. GILLETT. You do not mean that he is located at the Naval Academy?

Comdr. WINSLOW. No, he is in the Bureau here.

Mr. TAWNEY. He has charge of the records?

Comdr. WINSLOW. Everything in relation to the Naval Academy that comes into the Bureau.

Mr. BURLESON. He is a very efficient man, is he not?

Comdr. WINSLOW. Yes, and if he should not be efficient we will put somebody else there. But the position is worth \$2,000, and I think that we ought to be able to get an efficient man for that amount.

Mr. LIVINGSTON. There is no judgment or discretion exercised by him, is there; it is simply a matter of clerical work?

Commander WINSLOW. It is clerical work but he has to exercise a certain amount of discretion. Of course he can always refer to the chief and to the assistant to the Bureau, as he is required to do in anything that involves a serious situation.

Mr. BURLESON. But because of his familiarity—

Commander WINSLOW. He must be familiar with the laws and precedents and all that.

Mr. BURLESON. He relieves the chief of the bureau of a good deal of that work.

Commander WINSLOW. The chief would not have time to do it, nor would the other officers there either. We must have a man of sufficient intelligence to keep track of those things.

Mr. GILLETT. How long has he been there?

Commander WINSLOW. Ten years.

Mr. BINGHAM. Some years ago we established the rule giving chief clerks of bureaus of the Navy Department a compensation of \$2,000. I think, if I am not mistaken, that we have continued that remuneration for that service with all of the chief clerks of your bureaus.

Commander WINSLOW. Yes.

Mr. BINGHAM. With regard to the matter of transfers. We thought, by our legislation, that we had regulated that matter by fixing a three year tenure of office in one department, but it seems not. Why is it not more just for us, by a paragraph in the bill—by general legislation—to even more largely limit or qualify these transfers, which are continuing and growing in all of the departments, and which you say takes from you your most experienced men. Why is that not better, than to be met with this criticism always that we must give so and so more because you are losing your men; they are being taken from you? As a general proposition, does not that strike you as being fair?

Commander WINSLOW. That would be all right if you enacted it into law so that they could not do it.

Mr. TAWNEY. You would have to take away from the clerks their eligibility, or make them ineligible for appointment in any other department, because they can resign in one department and go into another, with the aid of the Civil Service Commission.

Mr. BINGHAM. We ought to reach that in some form. How many officers of the Navy are in your bureau?

Commander WINSLOW. Twelve line officers.

Mr. BINGHAM. In other words, you have eleven or twelve details from the service.

Commander WINSLOW. Yes. We have three of those engaged in the office which has control of the gunnery of the Navy.

You spoke of legislating so as to prevent transfer from one department to another. I think it would still remain true of any bureau, where the clerical force does as much work and as important work as that of any other bureau, that such force should have equivalent pay. Whether those that have larger pay should be cut down, or whether those which have smaller pay should be raised, I do not pretend to say. I should say that it ought to be a fair compensation for the labor given in all cases.

Mr. BINGHAM. But it would be almost impossible for us here to pass judgment on a distinctive line of work to ascertain if it corresponded to another distinctive line of work in another bureau. There would have to be a complete reorganization on your own part.

Commander WINSLOW. We will have, this year, 39,000 men in the Navy, and some 1,100 or 1,200 line officers. If you compare that personnel with the Army, I think you will see that the clerical force of the Bu. of Nav. is not overpaid nor does the Bureau have an excessive clerical force.

OFFICE OF NAVAL INTELLIGENCE.

STATEMENT OF CAPTAIN RAYMOND B. RODGERS, CHIEF.

Mr. BINGHAM. You ask for one additional translator.

Captain RODGERS. Yes, sir. I have a letter here from the Acting Secretary of the Navy, which I would like to hand to the Committee, in regard to an increase of salary for a clerk who has been employed in the office for twelve years, and who has not had his salary increased for nine years, and who is a very important clerk.

Mr. BINGHAM. How much does he receive?

Captain RODGERS. \$1,400.

Mr. BINGHAM. And he asks for \$1,600?

Captain RODGERS. Yes. The letter explains exactly his duties. He handles and registers the confidential papers which come to the office, and is a very trustworthy man.

Following is the letter referred to:

NAVY DEPARTMENT,
Washington, January 25, 1908.

SIR: Referring to the estimates for salaries of Office of Naval Intelligence for the fiscal year ending June 30, 1909, now before the Committee on Appropriations, I have to request that the salary of the Clerk of Class Two, estimated for therein, be increased from \$1400 to \$1600, an increase of \$200.

There is inclosed herewith a copy of a letter from the Chief Intelligence Officer in which the reasons for requesting this increase are set forth.

Very respectfully,

TRUMAN H. NEWBERRY,
Acting Secretary.

Honorable JAMES A. TAWNEY,
Chairman of the Committee on Appropriations, House of Representatives.

DEPARTMENT OF THE NAVY,
BUREAU OF NAVIGATION,
OFFICE OF NAVAL INTELLIGENCE,
Washington, D. C., January 25, 1908.

SIR: I have to recommend an increase of the salary of the Registrar of the Office of Naval Intelligence from \$1400 to \$1600 per annum for the following reasons:

(1) There is no more confidential position under the Navy Department than the Registrar, as he handles and has access to all confidential and secret matter on file or received in this Office.

(2) The position requires a man of peculiar mental abilities, i. e., one who can rapidly scan reports, ascertain the gist of them and then make out cards containing such pertinent remarks as will enable persons reading the same to grasp the contents of the paper. It will be seen at once that not only does this duty require a man of good mental caliber, with some knowledge of foreign languages, but also that he must have some naval technical knowledge, and of course a civilian can only acquire such knowledge to a satisfactory degree by time and experience in this Office. From 1882 to 1898 the position of Registrar was filled by a naval officer, but this proved unsatisfactory on account of the frequent changes necessitated as a result of officers being ordered to sea.

(3) The Registrar must have an excellent and peculiar memory that will enable him to recollect much that he has read, and a certain ability for research. Evidently his value increases with every year he occupies the position. He must also be a typewriter and very industrious for there is no clerk's desk in the Department that has more work to do. In fact, it is hardly possible at present for one man, by constant work, to keep this desk up to date.

(4) Aside from the general principles covering this question, it may be stated specifically that the present Registrar is an excellent man who has satisfactorily filled the position for nine years and who could with great difficulty be replaced.

(5) In the salary adjustment scheme recently submitted to the Department a salary of \$1620 was suggested for the Registrar. This increase of \$200 is recommended at this time in order that the present Registrar may receive a promotion at the earliest practicable date July 1, 1908.

Very respectfully,

R. P. RODGERS.

Captain, U. S. Navy, Chief Intelligence Officer.

The SECRETARY OF THE NAVY.

(Through Bureau of Navigation.)

MR. BINGHAM. This man is under you?

Captain RODGERS. Yes, sir.

MR. BINGHAM. But not estimated for here in the bill.

Captain RODGERS. No, sir. There was trouble about it last summer, at least a misunderstanding or misapprehension in regard to it, so that when the estimates came in I waited until Congress had met, and then the Secretary signed that letter.

MR. LIVINGSTON. This is for an additional translator?

Captain RODGERS. Mr. Lanigan is a translator in a sense, and he knows some languages. It is of course of importance that he should, in looking over different reports and papers and taking care of the card system that we have there. It enhances his value. He knows some French and some Spanish.

MR. LIVINGSTON. You have a regular translator.

Captain RODGERS. Yes, sir.

MR. TAWNEY. And you want to increase the number by one.

Captain RODGERS. Yes, for the reason set forth in the estimate. I would like to say that all of the foreign letters which come to the Navy Department in regard to the personnel, or in regard to inventions of one kind or another, from foreigners, are sent to this office for translation, and it has required between the latter part of August and the end of December 195 hours of the time of the translator employed upon those translations, which would leave but very little time to translate the technical papers for the office proper. I have explained that in this note a little more fully. Since the 1st of January, to the 24th, that is to-day, he has been employed in that work twelve hours.

MR. GILLET. Yours is the only office that has a translator, in the Navy, so they send these papers to you?

Captain RODGERS. Yes, sir.

BUREAU OF EQUIPMENT.

STATEMENT OF LIEUTENANT COMMANDER CLELAND DAVIS,
ACTING CHIEF, BUREAU OF EQUIPMENT.

Mr. BINGHAM. Please give us a general statement of why you wish an increase of \$11,000 in your estimate; first, with reference to the number of new force, then as to the number of promotions that you affect.

Captain DAVIS. The necessity for a bookkeeper and an accountant has been known to the bureau for a long time. It is impossible for the present force to properly audit and check the expenditures, particularly at Navy yards; for example, when repairs are undertaken, or articles are being manufactured, the force at the bureau will not permit the proper overseeing of the estimates. The reports come in, they are filed away, and they are not properly audited. The bureau believes that this would result in a saving of several times the salary of a bookkeeper.

Mr. BINGHAM. That is entirely new.

Captain DAVIS. Yes, sir.

Mr. BINGHAM. The two draftsmen are an absolute increase of force. You also have some promotions.

Captain DAVIS. The two draftsmen are not really an increase of force. They are simply transferred from the Navy-Yard. They are now being paid under the appropriation for depots for coal, and are stationed at the Navy-Yard. We want to transfer them to the regular bureau force in order to save the time that is lost in communicating with them, and having them go back and forth to the bureau in order to get information from them and have their work examined. They are now at the Navy-Yard in Washington and are being directed from the Bureau.

Mr. BINGHAM. That would be continuing the force in your bureau?

Captain DAVIS. Yes, sir.

Mr. GILLETT. How long have you had them?

Captain DAVIS. Since the appropriation for depots for coal in 1905.

Mr. GILLETT. You think you will need them permanently?

Captain DAVIS. For several years, yes, and probably permanently, if it is decided to go ahead with the coal depots, and I understand it is the policy to do so.

Mr. GILLETT. They are paid out of that appropriation?

Captain DAVIS. Yes, sir.

Mr. TAWNEY. And they work at the Navy-Yard?

Captain DAVIS. At the Washington Navy-Yard. We want them to work at the Bureau, where they are directed from.

Mr. BINGHAM. You do not consider that the service is impaired in anywise by your present system do you?

Captain DAVIS. It will be improved if they are removed to the bureau and paid under the appropriation as we ask.

Mr. GILLETT. Is this the same amount that they are now paid?

Captain DAVIS. The same amount.

We have asked for two additional clerks. The present civil force of the bureau is entirely inadequate to do the work that is required. The increase in the duties and responsibilities of the bureau is constant, consequent upon the steady employment of the naval force, and prep-

aration for the construction of public works, coaling plants, coaling stations, afloat and ashore, but especially wireless telegraphy. The wireless telegraphy is in charge of the Bureau of Equipment, and its administration involves an amount of clerical work that requires an extra force to take care of it; for example, I have had charge of that particular work during the past two years, and we are now more than four months behind with the records.

Mr. TAWNEY. What is the nature of this work in connection with wireless telegraphy?

Captain DAVIS. We have some thirty-eight stations along the coast, and these stations are all administered from Washington. They are required to keep records, not only of the messages, but to make reports of various other things. They have to report their installations of instruments, and they have to report all the messages that are sent and received, the number of words,—in fact, all the details that are connected with the naval communication business.

Mr. TAWNEY. They report to the bureau the messages which they have received and dispatched, and do you do anything more in your bureau except to file these messages?

Captain DAVIS. That is all. We file them away and tabulate them.

Mr. TAWNEY. When they make reports regarding the condition of the instruments and apparatus, is there any necessity for any more than a mere examination of that report?

Captain DAVIS. These instruments are costly and scientific, and the apparatus is elaborate; for example, whenever any change is made they have to submit drawings and give reasons in full for making the change in the apparatus. That is true not only when an accident occurs and they have to make repairs, but also when directed by the bureau. We are constantly putting in new apparatus.

Mr. TAWNEY. Improved apparatus?

Captain DAVIS. Improved apparatus.

Mr. TAWNEY. Is that due to the fact that the system is incomplete and imperfect?

Captain DAVIS. It is due to the fact that it is not fully developed, but in its infancy.

Mr. TAWNEY. Who is doing this work now?

Captain DAVIS. One of the stenographers.

Mr. GILLETT. What clerk do you want for that, what grade of clerk and at what salary?

Captain DAVIS. \$1100.

Mr. GILLETT. You need two of them.

Captain DAVIS. The other clerk is especially desired for the filing and record work of the bureau. Our present force is so inadequate that they work every afternoon over time, and great delay results in getting information from the files, due to the fact that the file clerks really have not time to get it out. The officers themselves have to go through the files in order to obtain information.

Mr. GILLETT. How much increase of force do you ask for? How many new clerks aside from the promotions?

Captain DAVIS. Four.

Mr. GILLETT. Do you include the two draftsmen among the four?

Captain DAVIS. No, they are not really an increase; they are transferred.

Mr. GILLETT. Then there are four besides that.

Captain DAVIS. And there is another still that we ask for, that is really not an increase in the working force of the bureau, and that is an electrical expert. That is an increase of money.

Mr. GILLETT. That is from \$1600 to \$2000. What are those four; one is an accountant, what are the other three?

Captain DAVIS. Two clerks at \$1100, and I counted the other as the electrical expert.

Mr. BINGHAM. On page 192 of this book you will find that you submitted in detail increases of salaries aggregating \$3420, and an increase of force in the form of new items submitted, \$7860, making a total increase of \$11,280, or a total of \$37,000, as against an existing appropriation of \$26,000. That is an exceptionally large increase because it is \$11,000 greater than the present appropriation. There are two conditions which arise and come before us in all appropriations connected with the department and bureaus, one the increase of compensation, and the other the additional force. You make a statement to the effect that your force works over time. Which do you require as an absolute necessity for the best administration of your bureau, the increases of compensation, the promotions, or the increase in force? Suppose that we took the ground that we would give you no promotions; that hard times are coming, and the force must stand as it is now. Which is the most important to you?

Captain DAVIS. The increase of force.

Mr. BINGHAM. You are looking distinctively to the administration of your bureau; that is of more importance?

Captain DAVIS. Much more importance, in my opinion; in fact, I think it is really necessary.

Mr. TAWNEY. I observe in your note, "one bookkeeper and accountant, \$1800," and then you state the reasons why this bookkeeper should be employed, showing the character of the work with reference to expenditures in the Navy Yard for supplies, material and so forth. Is it your purpose to promote some one now in your bureau to this position, if authority is given you?

Captain DAVIS. No, sir, there is no one in the bureau we consider competent to do that work. It is of such a character that it requires special financial ability, knowledge of accounts and bookkeeping.

Mr. TAWNEY. In what respect do you think economies would be effected by the employment of this bookkeeper and accountant? Explain that fully to the committee.

Captain DAVIS. It would be in the reduction of expenditures at navy yards. As matters stand now, the returns are made and are filed away in the bureau, and we have no one to whom we can entrust the duty of analyzing these estimates and reports of money expended for repairs or manufactured articles at navy yards. Labor of course we know about exactly, because that is definite; but the saving would be, for example, in the examination of the reports of the manufacture of an article, determining whether the time spent upon it was too much or too little, and consequently whether the cost would be too great. You can readily see that if those things are all left to themselves or the people at the yards, without being overhauled, as they would be by an auditor, or a general manager of a manufacturing concern, there is no chance for economy at all.

Mr. TAWNEY. As to these accounts, are they not finally passed upon by the Auditor for the Navy Department?

Captain DAVIS. It is not that. The idea is to cut down. For example, if a report comes from one yard with a report of expenditures for something that has been done, this accountant would analyze it, take the labor, the material and the time required, and it would then be submitted to the chief of the bureau, or proper officer, and if, in his opinion, too much time is expended in its manufacture, he would call the attention of the Commandant of the Navy Yard to the fact and direct him in the future to attempt to economize.

Mr. TAWNEY. Do you keep at the Navy-Yard a cost-keeping account showing the units of cost of all the products of the yard?

Captain DAVIS. Yes, sir, that is kept at the Navy-Yard.

Mr. TAWNEY. This is not intended then for the purpose of keeping any cost-keeping account?

Captain DAVIS. Not at all. His duty in addition would be to understand the whole financial scheme of the bureau. As matters stand now the chief clerk is the only one who is really familiar with all the details of its finances.

Mr. TAWNEY. How much is being spent annually through your bureau?

Captain DAVIS. I will have to get the report of the Bureau of Equipment to show that.

Mr. TAWNEY. Have you selected the man who will be appointed to this position in the event the authority is given?

Captain DAVIS. No, sir.

Mr. TAWNEY. You have no man particularly engaged.

Captain DAVIS. None in view, no, sir.

Mr. TAWNEY. Would he be appointed under the civil-service regulations?

Captain DAVIS. Yes, sir.

You asked me what we were expending through our bureau. It is about \$7,000,000 annually.

Mr. TAWNEY. Where is the account of that expenditure now kept?

Captain DAVIS. In the bureau.

Mr. TAWNEY. In your bureau?

Captain DAVIS. Yes.

Mr. TAWNEY. And also at the Navy Yard.

Captain DAVIS. Those particular expenditures which pertain to navy yards are of course kept at the navy yards.

Mr. TAWNEY. And you have no bookkeeper or accountant now.

Captain DAVIS. Yes, we have a bookkeeper and accountant, and the force is organized to take care, of course, of the accounts.

Mr. TAWNEY. But you have no one to analyze these accounts for the purpose of ascertaining whether or not more time is expended in doing the work, and more money used than is necessary.

Captain DAVIS. That was a detail that I cited.

Mr. TAWNEY. Can you give us a concrete example of wherein the services of this man that you ask for would be of any especial benefit to the government?

Captain DAVIS. Well, I could give you, I think, a hypothetical example. Suppose, for instance, in the returns made from the Navy-Yard, say at New York, there are a number of items; they do a lot of work there. They manufacture flags, they manufacture canvass articles, awnings and innumerable articles that come under the cognizance of equipment. These estimates are submitted, approved, the

work is done and the returns are made in general. Now the functions of this accountant would be to take each one of those returns from each navy-yard, and analyze it; each detail, whether the manufacture of flags or electrical apparatus or awnings, or whatever it may be, and to put it in proper shape for the bureau officers to determine whether it has been economically done or not. For example, an estimate of \$4500 is submitted and approved, we will say, for the manufacture of flags. After the returns are made, or rather, after the money is all accounted for, it might have cost, so far as anybody knows, four or five thousand dollars, or even six thousand dollars. Now there is no way of determining that, that is to say, we have no force to do it, and we want to do it as a question of economy.

Mr. TAWNEY. From your experience in the administration of this bureau, you have found this additional work to be necessary in order to protect the government in the expenditure of money through the bureau.

Captain DAVIS. Protect the interest of the government, and it would be an economical thing to do.

Mr. BINGHAM. In that line of thought, isn't it a fact, that with your bureau, in which you state your expenditures amount to about \$7,000,000, there is, first, the authorization made by your department as to what equipment shall be duly advertised to be delivered at such and such a yard, or wherever it may be needed, or wherever a navy yard is located. It is examined by your officials there, the head of whom is always an officer of the Navy. A report is then made on the matter of the equipment, and that is the basis of your record in your office, is it not?

Captain DAVIS. Yes.

Mr. BINGHAM. These expenditures are made through advertising, then delivery at the navy yards or stations of the country, and all of that is supervised by an officer of the Navy?

Captain DAVIS. Yes; but I refer particularly in my remarks, not to articles that are bought by public advertisement.

Mr. BINGHAM. A report is made just the same upon articles manufactured at the yards under the command of an officer of the Navy, is it not?

Captain DAVIS. Yes, sir.

Mr. BRICK. Have you got anybody to analyze that work now?

Captain DAVIS. It is not done.

Mr. BRICK. Have you any idea how much you would save the government with such an officer?

Captain DAVIS. I estimate that it would save the government a number of thousands of dollars annually.

Mr. BRICK. What do you mean by a number of thousands of dollars?

Captain DAVIS. Six or eight thousand dollars.

Mr. GILLET. Will that be practically the one function of this new man?

Captain DAVIS. No, sir, as I explained a moment ago, he would be charged, under the chief clerk, with knowledge of the whole financial system.

Mr. GILLET. What proportion of his work is this analyzing of accounts, and what proportion is the other? Which is the larger?

Captain DAVIS. They would be very intimately connected and it would be impossible to say.

Mr. BINGHAM. How many officers of the Navy are detailed in your bureau, outside of your Chief of Bureau, and under the head of Bureau of Equipment?

Captain DAVIS. There are seven.

Mr. BINGHAM. They have distinctive lines of work?

Captain DAVIS. Yes, sir. That does not include officers on duty in the Hydrographic Office, nor the Naval Observatory.

Mr. BINGHAM. But simply your immediate bureau.

Captain DAVIS. Yes, that is it.

HYDROGRAPHIC OFFICE.

STATEMENT OF COMMANDER CHARLES C. ROGERS, HYDROGRAPHER.

Mr. BINGHAM. As I understand from your estimate, the appropriation for the current year is \$102,000, and you ask for \$106,600, an increase of \$4600. As I go through in a general way it seems that your increases are all promotions. Do you ask for any additional force?

Captain ROGERS. No, sir, no additional force.

Mr. BINGHAM. Therefore your increase of \$4600 is promotions.

Captain ROGERS. Yes, sir, with the exception of seven apprentices, who get \$100 a year by reason of an agreement with the Navy Department. That really reduces the \$4600 to \$3900. For several years those apprentices have been given \$100 each year.

Mr. BINGHAM. Will you please give the reason why your force, where you have selected promotions, should have this increase of compensation? I will also ask if your office is up to date? You ask for no increase of force. Is your office well administered? Please give your reasons for the increase of compensation.

Captain ROGERS. The increase asked for is confined mainly to the higher grade of employees, the lithographers, the engravers, and high grade clerks. Most of those men have been, generally speaking, in the government service anywhere from fourteen to thirty-seven years. They have had very little increase of pay since they have been in the government service, and the pay of employees of the Hydrographic Office is below that of other institutions of that kind under the government. There are cases in which our highest paid men receive several hundred dollars less than other map-making institutions. The fact is, that many of our engravers and lithographers and draftsmen there are more poorly paid than any other men of equal rating in map-making offices of the government. They have all had long service, they are excellent men, they are efficient.

Mr. BINGHAM. Then, without going into detail, your general line of suggestion is that there should be increases.

Captain ROGERS. That there should be increases to increase the efficiency of the force, and to encourage these men and prevent transfers from the office.

Mr. BINGHAM. Have you suffered in the matter of transfers of your efficient men to other departments outside of your department?

Captain ROGERS. Yes, sir; we have suffered, especially in our clerical force, and in our draftsmen and engravers.

Mr. BINGHAM. Where do they go? Do they go outside to outside employers?

Captain ROGERS. Occasionally they do. More frequently they go to other Government offices because they get better pay there.

Mr. BINGHAM. In your own department, or in other departments.

Captain ROGERS. In other departments.

Mr. BINGHAM. And incidentally outside.

Captain ROGERS. Incidentally outside.

Mr. BINGHAM. But the transfers can be fixed by positive legislation?

Captain ROGERS. Oh, yes.

Mr. TAWNEY. You have a number of apprentices in the Hydrographic office?

Captain ROGERS. Yes, sir.

Mr. TAWNEY. How are they employed?

Captain ROGERS. They are employed as apprentice engravers and apprentice draftsmen and apprentice plate printers.

Mr. TAWNEY. By agreement?

Captain ROGERS. Yes, sir. They are appointed there as apprentices, receiving their appointment as such, beginning with a salary of \$300 and increasing \$100 annually until they get \$800. Then they come under the regular rules of the department.

Mr. TAWNEY. Is that agreement made with the apprentice when he enters the service?

Captain ROGERS. It is a practical agreement, yes, sir. The department in giving him his appointment states that those are the conditions under which his appointment is made.

Mr. BRICK. It is a verbal agreement.

Captain ROGERS. It is written in one case in the appointment, so to speak, and signed by the Secretary of the Navy; in the others the agreement is verbal and understood in advance by the apprentice.

Mr. TAWNEY. Has the Secretary of the Navy authority of law to make an agreement of that kind?

Capt. ROGERS. I so understand it, but I can not cite the specific law.

Mr. TAWNEY. What I want to find out is whether this agreement is of such a character as to be binding upon Congress in appropriating for the Department to carry it out.

Capt. ROGERS. I should have to investigate that point further.

Mr. TAWNEY. I wish you would, and let me know by what authority the agreements are made, so that we will know whether or not we are bound by that authority to appropriate to carry them out. The work of your bureau consists of making charts and maps and surveys that are made by the Navy in foreign waters only. Is that not a fact?

Capt. ROGERS. Yes, sir.

Mr. TAWNEY. Is there any likelihood of your work being completed at any time in the future, or will it continue indefinitely?

Capt. ROGERS. It will continue indefinitely. For example, the West Indies is very poorly surveyed. Very few of the Central American or South American states have ever done any survey work at all, and a great deal of the work that has been done is inaccurate.

Mr. TAWNEY. You exchange maps and charts with foreign hydrographic offices, do you not?

Captain ROGERS. Yes, sir.

Mr. TAWNEY. Is it not a fact that almost every government has practically a complete survey of foreign waters, and that we have the benefit of those surveys just the same as they have the benefit of ours?

Captain ROGERS. Yes, we get the benefit of all of the surveys, of course, that are conducted by foreign governments, but those surveys are confined to the European powers. Very few of the Central American and South American governments have done anything of that kind. In the United States of Colombia, Ecuador, Peru and such states of South and Central America, nearly all of the surveying that has been done there has been done either by the Spanish, or the British, or some other government, and the surveys are old and inaccurate. Especially is that true of the Spanish surveys; they are very inaccurate. There are a great many islands on the northern coast of South America that are inaccurately placed. The south coast of Cuba is inaccurately surveyed.

Mr. TAWNEY. Has not Cuba been surveyed by Great Britain?

Captain ROGERS. No, sir.

Mr. TAWNEY. The surveys made by the British government are usually very accurate, are they not?

Capt. ROGERS. Generally.

Mr. TAWNEY. Has the British Government surveyed all the waters around the coast of South America?

Capt. ROGERS. No, sir; not all of them. They have made a great many surveys, but not all of them. What is known as the Spanish Main, generally, was surveyed, and the west coast of South America also by the Spanish Government. There have been no surveys since to amount to anything.

Mr. TAWNEY. What other foreign countries also survey these waters in the West Indies?

Capt. ROGERS. Well, at present there are no foreign surveys being made there at all that I know of. The only British surveys that are being conducted now, and that we have any knowledge of, are on the west coast of British Columbia. The "Egeria," one of their vessels, is up there. But our Government is the only one doing any survey work in the West Indies.

Mr. TAWNEY. How long have we been engaged in making surveys in the West Indies?

Capt. ROGERS. The present survey work may be said to have begun there in 1902.

Mr. TAWNEY. Have you any estimate of how long will be required to complete these surveys?

Capt. ROGERS. The immediate work on which we are engaged now is between Cape Cruz in Cuba and Casilda on the Golfo de Guacanabo, to the westward. It will take four or five years to complete that work with steady employment. We are also surveying on the west and southern coasts of Haiti, and that will take at least three years.

Mr. TAWNEY. How many ships have we at work?

Capt. ROGERS. Only one on the west coast of Haiti. We have a barge, No. 123, and two steam launches in Cuban waters only; they are surveying the approaches to Manzanillo, just inside of Cape Cruz. It is not a ship. It is simply a house boat.

Mr. TAWNEY. Have we any more surveying propositions?

Capt. ROGERS. No, sir, not regular surveying propositions. The Caribbean Squadron, as it is called, when Admiral Bradford commanded it in 1904 and 1905, did a good deal of surveying on the coast of San Domingo when we were patrolling those waters. Last year

the *Don Juan de Austria* and another vessel made some harbor surveys down there. We had a sort of examination made by a vessel out in Hawaii, but it was simply nothing more than to test the accuracy of reported soundings.

Mr. TAWNEY. Is the work in your office up, current?

Capt. ROGERS. Yes, up to date.

Mr. TAWNEY. Have you as much work to do now as you had two years ago?

Capt. ROGERS. Oh, yes. Our work is increasing all the time instead of decreasing. We could actually employ a larger force, both in the map-making division and in the division of sailing directions.

REPRODUCING FOREIGN MAPS.

Mr. TAWNEY. Is more work done in foreign waters now than formerly?

Capt. ROGERS. Yes. It is not because we are doing more work, but we are doing more in the way of map construction and extending our work and making ourselves independent of foreign governments in that respect, which is a very valuable asset in time of war.

Mr. TAWNEY. When you get maps from foreign governments do you reproduce them in your office?

Capt. ROGERS. In some cases, where the surveys are completed and there is no likelihood of a survey in the near future, we do.

Mr. TAWNEY. Then you make maps from theirs?

Capt. ROGERS. Yes.

Mr. TAWNEY. Can you get any quantity of maps you want from foreign governments? Can you purchase them?

Capt. ROGERS. Yes.

Mr. TAWNEY. Without reproducing the maps?

Capt. ROGERS. We can do it, but we cannot do it with economy always.

Mr. TAWNEY. Does it cost less to make the maps than to buy them from the foreign governments?

Capt. ROGERS. Yes, in the end it would; it would in the case of the better class of maps of the character that we reproduce.

Mr. TAWNEY. You furnish these maps to commercial vessels?

Capt. ROGERS. Yes, sir. That is part of the duty of the office, to furnish them to the ships of the Navy and the mercantile marine.

BRANCH HYDROGRAPHIC OFFICES.

Mr. TAWNEY. How many stations have you outside the city here, branch offices?

Capt. ROGERS. We have 16 now.

Mr. TAWNEY. Where are they located?

Capt. ROGERS. At Boston, New York, Philadelphia, Baltimore, Norfolk, Savannah, New Orleans, Galveston; San Francisco, Port Townsend and Portland on the west coast, and at Chicago, Duluth, Sault Ste Marie, Cleveland and Buffalo, on the Lakes.

Mr. TAWNEY. What is the character of the work done in these branch offices?

Capt. ROGERS. Their duties lie in collecting from the seafaring world generally, the maritime people of the world in general, infor-

mation in regard to derelicts, for example, and as to ice, and as to the navigation of the seas generally, and every kind of information that would be of any use to us in our publications, either in correcting the publications or in adding to them; and then they distribute to the seafaring world the publications of our office, and especially our weekly publications; our notices to mariners, which affect all ships, and the hydrographic bulletins, which contain the accounts of dangers to navigation, and our pilot chart giving the most recent information up to date, published every month.

Mr. TAWNEY. Then your work is not confined to foreign waters exclusively, as to surveys in foreign waters?

Capt. ROGERS. No, sir; not surveying. Our main work is producing charts and maps and these publications that I have mentioned.

Mr. TAWNEY. I say, your work is not confined to making maps and surveys in foreign waters?

Capt. ROGERS. No, sir.

Mr. TAWNEY. What does it cost to maintain the 16 hydrographic stations?

Capt. ROGERS. Including salaries, I think we ask for \$30,500.

EMPLOYMENT OF NAVAL OFFICERS.

Mr. BURLESON. As a general thing retired Naval officers are placed in charge of these branch offices, are they not?

Capt. ROGERS. Yes, sir.

Mr. TAWNEY. Why should not your bureau here in Washington collect the data with respect to these stations with the facilities you now have for communication?

Captain ROGERS. Because of the difficulty of getting at these people. The officers and assistants in charge of those branch offices go directly on board the ships when they come into port. They communicate with the captains and mates and officers of those ships, and get all the information obtainable. We have tried that system of getting these people to make reports, but they are so busy when they come into port that they do not do it.

Mr. TAWNEY. It is for the benefit of navigation, and not for the benefit particularly of keeping people employed in the service of the Government. I should think the self-interest of the seafaring people would prompt them to notify you if anything peculiar occurs in the navigable waters in the vicinity of these stations; that it would prompt them to send in the information.

Captain ROGERS. We often get reports, but nothing like the complete information we receive by this system, and it was on account of that fact that this system came to be established.

Mr. TAWNEY. To what extent has the necessity or desire for providing places for retired Naval officers influenced the Department in recommending and continuing these stations?

Captain ROGERS. I do not believe, sir, it has influenced it at all. I do not think it has ever influenced it.

Mr. BINGHAM. In other words, in the paragraph that we have immediately under consideration, your increased estimates are for increased compensation and lift?

Captain ROGERS. Yes, sir.

PURCHASE OF COPPER PLATES, ETC.

Mr. BINGHAM. Coming to the next item on page 196, I see no change there. Did you spend all of that?

Captain ROGERS. Yes, sir; practically all of it, generally speaking.

CONTINGENT EXPENSES OF BRANCH OFFICES.

Mr. BINGHAM. Now you come to the contingent expenses of the branch offices. How many Naval officers are detailed in your bureau?

Captain ROGERS. There are now in the office itself three besides myself; four in Washington.

Mr. BINGHAM. Are any of them on the retired list?

Captain ROGERS. Yes, two.

Mr. BINGHAM. Two active and two retired?

Captain ROGERS. Yes.

EMPLOYMENT OF NAVAL OFFICERS (AGAIN).

Mr. BINGHAM. In charge of a branch office is there always a Naval officer?

Captain ROGERS. Not always, but it would be a very desirable thing to have them, on account of their technical knowledge.

Mr. BINGHAM. But the effort of the Department is to place the Naval officers there, and retired officers occasionally?

Captain ROGERS. Yes; all the officers at present are retired officers, but all the branch offices are not under retired officers. Where we have officers, they are retired.

CONTINGENT EXPENSES AT BRANCH OFFICES (AGAIN).

Mr. BINGHAM. Now I see, following the current law, that you ask for \$11,500 for next year, as against the current law of \$12,540.

Captain ROGERS. Yes, sir.

Mr. BINGHAM. That is a reduction of a thousand dollars.

SERVICES OF NECESSARY EMPLOYEES AT BRANCH OFFICES.

The next item follows current law, for services of necessary employees at branch offices, \$19,000. In the current law you had \$17,960. That is about \$1,000 increase, and you decrease the other item \$1,000?

Captain ROGERS. Yes, sir.

Mr. BINGHAM. Do you intend to increase this second item beyond that? Is that where you take that from?

Captain ROGERS. We do not intend any increase in the first item. I understand that is for necessary expenses. We increased the second item by \$1,000.

Mr. BINGHAM. Except that is necessary, why do you decrease the item above, where you ask by a separate amendment, "city directories, works and periodicals relating to hydrography, marine meteorology, navigation, surveying, oceanography, and terrestrial magnetism, stationery, miscellaneous articles," etc.? You make your item less?

Captain ROGERS. Yes; that is true. That is explainable in this way: The Treasury Department decided that under the appropriation for contingent expenses those books could not be bought unless they were specifically mentioned in the appropriation.

Mr. BINGHAM. You have been buying them?

Captain ROGERS. Yes.

Mr. BINGHAM. And this is no curtailment, but simply a specification in accordance with the Auditor's decision?

Captain ROGERS. Yes; and as to the second item, we found we could promote the employees and give some encouragement to employees by increasing them \$1,000.

Mr. BINGHAM. That will cover this increase of authority?

Captain ROGERS. Yes. The appropriation for last year covers their salaries to a dollar. It is all expended.

MONTHLY PILOT CHART, NORTH PACIFIC.

Mr. BINGHAM. Pilot charts is the same. Where are they made?

Captain ROGERS. They are published in the Hydrographic Office here at Washington.

Mr. BINGHAM. You handle it within \$2,000?

Captain ROGERS. Yes, sir.

CONTINGENT EXPENSES OF BRANCH OFFICES (AGAIN).

Mr. TAWNEY. What amount have you expended thus far in this fiscal year of the \$12,540 appropriated?

Captain ROGERS. I will have to get that for you, sir. I did not come here with that information. My recollection is in round numbers we have about in the neighborhood of \$4,000 net for the next six months. That is my impression, but I would rather send you the information about that.

Mr. BRICK. You have a sum unexpended, at all events?

Captain ROGERS. Yes, sir; I have it.

Following is letter filed by Capt. Rogers:

DEPARTMENT OF THE NAVY, BUREAU OF EQUIPMENT, HYDROGRAPHIC OFFICE.

Washington, D. C., January 25, 1908.

SIR: Agreeably to your request of this forenoon I have the honor to furnish the following additional information in reply to inquiries of the Committee about the estimates for the Hydrographic Office:

(a) On June 17, 1898, the Department established a system for promotion of apprentice engravers at regular intervals. The increase of pay was fixed at \$100 per annum until a salary of \$800 was reached, after which promotion should be governed according to the rules of the classified service. At that time the appropriations for the salaries of employees under the Hydrographic Office was made in a *lump* sum, and this regulation of pay by the Department was in accordance with that fact and not with any requirement of law—there being no specific law on the subject. Since 1903 the appropriation has been specific for the salary of each employee, so that this increase of \$100 per annum is dependent upon legislation. The written appointment of each apprentice states that he will receive this annual increase of \$100 until a salary of \$800 is attained.

(b) The amount remaining of the contingent appropriation for Branch Hydrographic Offices for the fiscal year ending June 30, 1908, is about \$4,800.

If permissible, under the rules of the Committee, I beg to request that the following may be added to two of my replies, in order to complete them.

(c) To your last question about the connection of retired officers with the establishment of Branch Offices: The establishment of the Branch Offices dates from 1884.

There are now sixteen offices, but fifteen of them were in operation in 1900 when Congress authorized the detail of retired officers for active service.—See Supplement to Revised Statutes, Volume 2, 1892-1901, page 1451. During this period of sixteen years active officers were detailed, and after the authority granted in 1900 retired officers were substituted on account of the scarcity of active officers.

(d) To your first question (if I remember correctly) about the work done by the Branch Hydrographic Offices: Besides collecting and distributing information these offices hold themselves ready to examine charts from all vessels, verifying the same or pointing out necessary corrections, examining and correcting their navigational instruments, explaining nautical subjects, and in every way possible giving aid to mariners that will promote the safety of life and property at sea. They operate the time ball service, which is used daily for the correction of ship's chronometers by vessels in port; the time ball being displayed from a prominent height visible to the greater part of shipping if not to all of it. The offices on the Great Lakes have done a most important work in educating the masters, mates, pilots, and steersmen in the elements of navigation, and are well on the way to working a revolution in the art as practiced on the lakes where little or nothing was known of compass error, azimuth, and other work, until attention was directed by the Hydrographic Office to this means of safer navigation. The good effect of such instruction already appears in shortened voyages and greater safety to ships and cargoes, facts recognized by ship owners and underwriters. The value of the time ball service to the mariner is inestimable. These offices are veritable bureaus of nautical information for merchant captains, ship owners, marine insurance companies, and persons of every class engaged in maritime work. If a ship leaves a port where there is a Branch Hydrographic Office with incorrect charts, sailing directions, or with incorrect navigational instruments it is the fault of her master.

Respectfully,

CHAS. C. ROGERS,
Commander, U. S. Navy, Hydrographer.

HON. JAMES A. TAWNEY,
*Chairman Committee on Appropriations,
House of Representatives.*

NAVAL OBSERVATORY.

STATEMENT OF CAPT. WILLIAM J. BARNETTE, SUPERINTENDENT.

INCREASES OF SALARIES.

Mr. BINGHAM. The first paragraph under the Naval Observatory is on page 198. Under the current year you have \$41,640. Your work is up current, I suppose?

Capt. BARNETTE. Yes, sir.

Mr. BINGHAM. You now ask, for 1909, \$45,240. I observe that the appearance of your paragraph signifies all increases of compensation of subordinate force.

Capt. BARNETTE. They are all recommended.

Mr. BINGHAM. You need no additional force; you simply ask for increased allowances to your present force?

Capt. BARNETTE. Yes.

Mr. BINGHAM. Why is that?

Capt. BARNETTE. It is the same old argument which is advanced, of the increased cost of living all through; and these salaries for the astronomical branch have not been increased since 1891?

Mr. BINGHAM. Do you lose any of your efficient subordinate force by transfers?

Capt. BARNETTE. Yes.

Mr. BINGHAM. Where?

Capt. BARNETTE. To the Departments.

Mr. BINGHAM. Any outside of the Departments?

Capt. BARNETTE. Yes; they go to other observatories throughout the country, where they can get better compensation. Our computers do generally piecework computation and miscellaneous computation. They are scientific men, with scientific and mathematical educations; and it is very difficult to keep them at the prices we offer.

Mr. BINGHAM. But in view of the fact that your appropriations have been very largely the same for the last three or four or five years, and in accordance with the estimates, whatever have been the transfers or loss of subordinate force, they do not seem to have justified you in pressure for increased force, and therefore is it just in view of the increased cost of living to-day that you ask for a large increase of compensation for the subordinate force?

Capt. BARNETTE. That is it.

MISCELLANEOUS COMPUTATIONS.

Mr. BINGHAM. Miscellaneous expenses are the next item: "Computations, Department of Astronomical Observations." You ask for an increase of \$1,500 there?

Capt. BARNETTE. Yes. That is because of the increased cost of the materials which we purchase.

Mr. BINGHAM. That, you think, will continue?

Capt. BARNETTE. Yes, sir. I do not know whether your arrangement is the same as ours, but in the item before that there is an increase of \$500 for repair of buildings.

Mr. GILLET. That comes later. That is on the bottom of page 200.

Mr. BINGHAM. Miscellaneous expenses. You say that is because of the increased cost of material? That is a big percentage of increase.

Capt. BARNETTE. We find that we can not run it very well on the present amount. The coal alone has gone up about \$1 a ton, and we contract for about 600 tons a year.

Mr. BINGHAM. When do you make those contracts? We are giving you now appropriations for 1909. Are the contracts made a year in advance? They are already made for this present year?

Capt. BARNETTE. Yes.

Mr. BINGHAM. You assume the price of coal this year to be the basis for next year?

Capt. BARNETTE. Yes.

Mr. BINGHAM. This is largely for coal?

Capt. BARNETTE. Yes; coal, and fuel, and grease, and everything that we require to be purchased has gone up largely, and that increased estimate seems to be necessary to cover it.

Mr. BINGHAM. Coal is the largest item?

Capt. BARNETTE. Yes, sir.

Mr. BRICK. Why is that new reading added, "Department of Astronomical Observations"? Is there any necessity for that additional language there?

Capt. BARNETTE. That is one of the subdivisions of the Naval Observatory.

Mr. BRICK. That is new verbiage in italics on page 199.

Mr. BINGHAM. Why that new language?

Capt. BARNETTE. Because all of that work is done under the head of that department. There is another, the computing branch; that comes under the Nautical Almanac.

Mr. BINGHAM. Supposing we gave you the appropriation asked for, is there any objection on the part of the Auditor?

Capt. BARNETTE. I do not think so.

Mr. BINGHAM. There is no absolute necessity for legislation?

Capt. BARNETTE. No, except that it would indicate more clearly where the money is used. It is not used in any other department.

PROFESSIONAL AND SCIENTIFIC BOOKS.

Mr. BINGHAM. The next is for professional books, page 200. You ask the same?

Capt. BARNETTE. Yes.

Mr. BINGHAM. Do you never finally complete a library?

Capt. BARNETTE. No. These publications are coming from abroad all the time. We have to keep up. We have one of the best astronomical libraries in the world. There is only one other, that at Pulkova, which equals it.

APPARATUS AND INSTRUMENTS.

Mr. BINGHAM. The next is "For apparatus and instruments, and for repairs of same."

Capt. BARNETTE. We need that.

Mr. BINGHAM. Do you spend it all?

Capt. BARNETTE. Yes. Of that appropriation, I have only got about \$54 to run the rest of the year.

REPAIRS TO BUILDINGS, FURNITURE, CHEMICALS, ETC.

Mr. BINGHAM. In the next item you ask for an increase of \$500. Has the price of labor and material advanced?

Capt. BARNETTE. Yes, sir.

REPAIRS TO MAIN BUILDING.

Mr. BINGHAM. In the next, instead of the item reading, "For house of alt-azimuth instrument, with collimators, mountings, and piers, \$3,000," you insert a new paragraph, "For repairs to main building, \$5,000."

Capt. BARNETTE. That is included, and is very important.

Mr. TAWNEY. The other goes out?

Mr. BINGHAM. Yes, I see that.

Capt. BARNETTE. Yes, the alt-azimuth is completed now.

Mr. BINGHAM. This is new?

Capt. BARNETTE. Yes. The repairs to the main building are very much needed. It is a granite building and it has been standing for seventeen years. It needs repointing. The mortar is all soft, and the rain beats through and wets the inside of the building and makes everything uninhabitable. The walls are wet nearly all the time.

Mr. BINGHAM. You had detailed estimates of the cost of these repairs?

Capt. BARNETTE. Yes, sir.

Mr. BINGHAM. What did that building cost? Was it before your time?

Capt. BARNETTE. I have no idea what it cost.

Prof. UPDEGRAFF. It cost about \$300,000.

Capt. BARNETTE. It is a fine granite building, but unfortunately the mortar was bad. The roof was of bad construction, and part of it has to be re-built. That building should be protected.

Mr. BINGHAM. Captain, I understand you are the only Naval officer detailed at your bureau?

Capt. BARNETTE. Yes, sir.

Following is a memorandum filed by Capt. Barnette:

**REMARKS CONCERNING THE ESTIMATES FOR THE ASTRONOMICAL FORCE
AT THE NAVAL OBSERVATORY.**

Introductory table showing the civilian force just before the beginning of the removal to the new site in the fall of 1891 and the force allowed December 1, 1907.

Title.	Salary.	
	1891.	1907.
1 assistant astronomer	\$2,000	\$2,400
2 assistant astronomers	1,800	1,800
1 assistant	1,200	1,400
1 photographer	1,200	.....
5 computers	1,200	.....
5 assistants .....	.....	1,200
1 miscellaneous computer	1,200	.....
5 miscellaneous computers .....	.....	1,000
2 assistants .....	.....	1,000
Total	14,000	20,400
Total number employed	10	16
Increase .....	.....	6
Average salaries	1,400	1,275

Naval Officers stationed at the Naval Observatory.

	July 1, 1891.	Dec., 1907.
Line officers	5	4
Professors of mathematics	5	2
Total	10	6
Decrease .....	.....	4

Astronomical Instruments in Use.

1891.	1907.
8.5-inch transit circle.	9-inch transit circle.
26-inch equatorial.	26-inch equatorial.
9.6-inch equatorial.	12-inch equatorial.
	6-inch transit circle.
	altazimuth.
	prime vertical transit instrument.
	photoheliograph.
	photographic equatorial.

Reasons why the salary of the civilian astronomical force should be increased in addition to that arising from the greatly increased cost of living during the past few years. 1

1. The work performed by the men now is of a much higher class than that performed by the men of the same grade sixteen years ago. The instruments were manned then and now as follows:

26-inch equatorial.

1891.	1907.	Estimates—		In accordance with Keep report.
		1908.	1909.	
Prof. of Math.....	\$3,500	\$1,800	\$2,000	\$2,100
Special laborer.....	720			
Total.....	4,220			

12-inch equatorial.

1891.	1907.	Estimates—		In accordance with Keep Commission report.
		1908.	1909.	
Prof. of Math.....	\$3,500	\$1,200	\$1,600	\$1,630
	Assistant (portion of time on 26-in.) Assistant (photobeliograph) at times.			

Observations of the Sun, Moon, Planets and Stars.

9-inch transit circle.

1891.	1907.	Estimates—		In accordance with Keep Commission report.
		1908.	1909.	
Prof. of Math.....	\$3,500	\$1,800	\$2,000	\$1,900
Asst. Astronomer.....	2,000	1,200	1,600	1,740
Asst. Astronomer.....	1,800	1,000	1,200	1,500
Total.....	7,300	4,000	4,800	5,220

6-inch transit circle.

1907.	Estimates		In accordance with Keep Commission report.
	1908.	1909.	
Prof. of Math.....	\$3,000	(a)	(a)
Assistant.....	1,200	\$1,600	\$1,740

^a Appropriated for under Naval Establishment.

Alt-azimuth.

1907: Prof. of Math., \$3,000.

The prime vertical transit instrument.

1907.	Estimates		In accordance with Keep Commission report.
	1908.	1909.	
Assistant astronomer	\$2,400	\$2,400	\$2,400

The photoheliograph.

1907.	Estimates		In accordance with Keep Commission report.
	1908.	1909.	
Assistant (portion of time).....	\$1,400	\$1,400	\$1,620

The photographic equatorial.

1907: Assistant (photoheliograph) at times.

In 1891 no observer received less than \$1800, the average salary being \$2860, while now the average salary of the 10 observers is \$1800, the lowest \$1000. In the estimates for 1908-9 the average salary of the 10 observers is \$1980, the lowest \$1200, while in the special estimates the average is \$2070, the lowest \$1500.

2. In 1891, men entering the astronomical force of the Observatory were paid \$1200 per annum; now they are offered but \$1000. At present (December, 1907) there are five vacancies in the \$1000 class. During the past 15 months the Civil Service Commission has held six examinations for Computer at the Naval Observatory with the following results:

Date.	Number entered.	Number passed.	Remarks.
September, 1906.....			
December, 1906.....	2 males		
December, 1906.....	1 female	1 female	Declined temporary appointment.
January, 1907.....	5 males	3 males	2 appointed, 1 declined.
January, 1907.....	2 females	2 females	Given temporary appointments.
March, 1907.....	2 males	2 males	1 appointed, 1 declined.
June, 1907.....	2 males	1 male	Declined appointment.
September, 1907.....	2 males	1 male	Declined appointment.

The three men who were appointed as the result of these examinations have already left to accept more attractive positions under the Government.

The Estimates submitted are as follows:

	Appropriated for 1907-08.	Estimated for 1908-09.	According to Keep Commission.
1 assistant astronomer.....	\$2,400	\$2,400	\$2,400
1 assistant astronomer.....	1,800	2,000	2,100
1 assistant astronomer.....	1,800	2,000	1,980
2 assistants.....	1,200	1,600	1,740
1 assistant.....	1,400	1,400	1,620
1 assistant.....	1,200	1,600	1,620
2 assistants.....	1,200	1,400	1,500
2 assistants.....	1,000	1,200	1,380
Miscellaneous Computations.....	5,000	6,500	6,360
Total.....	20,400	24,300	25,320

* Allowing the employment of 2 at \$1,320, 2 at \$1,260 and one at \$1,200.

The following quotation is taken from the annual report of the Chief of the Bureau of Equipment for the fiscal year ending June 30, 1907:

"The rates of pay for the present assistants at the Observatory were established in 1891. Since then there has been a change in but one salary, an increase of \$200. This fact is responsible for the arrears of computing mentioned in previous reports, since an assistant scarcely becomes thoroughly familiar with his duties before he resigns to accept better pay elsewhere. The Civil Service has been unable to supply a sufficient force of computers and therefore, notwithstanding the large amount of work waiting to be done, a part of the appropriation for miscellaneous computing was returned to the Treasury at the close of the fiscal year. It is a matter of regret to the Bureau that the important work of the Observatory should be hampered by the above-stated condition, and an increase in rates of pay of computers is considered necessary."

In conclusion, in view of the above facts, it is earnestly recommended that among the astronomical force no one be paid less than \$1,200 per annum, that the positions paying \$1,200, \$1,260 and \$1,320 be provided for under Miscellaneous Computations, and that the eight assistants now allowed by law be divided into four grades of two each at salaries of \$1,380, \$1,500, \$1,620 and \$1,740 per annum. The large number of grades will allow much more frequent promotion, and will enable the promotions to be more gradual.

NAUTICAL ALMANAC OFFICE.

STATEMENT OF PROF. MILTON UPDEGRAFF, DIRECTOR OF THE NAUTICAL ALMANAC.

INCREASES OF SALARY.

Mr. TAWNEY. These are all increases of salary in this first paragraph?

Mr. UPDEGRAFF. The reason for the increase, gentlemen, is that the pay of these men has never been increased since 1882, for 25 years. They are the men who do the work on the Almanac.

Mr. GILLETT. These are not the same men, of course?

Prof. UPDEGRAFF. Some of them are the same. Some of them have been there for 20 years, and a good many of them have been there for ten years. They are men of education and experience in the work. The compensation of \$1600 a year, which is the maximum in the office—and the lowest man gets only a thousand dollars—is inadequate for scientific men doing that kind of work; and, gentlemen, I think we are justified in asking for that increase for these men on the ground that they have been underpaid or improperly paid for years. I have only been with the Almanac since the 1st of October, and from the condition I find there I think that the hearings with reference to the Almanac before this Committee must have been very short indeed. In the Agricultural Department and other Departments men doing scientific work of any kind are getting usually about \$2,000. We ask for only \$1800 for the highest, and \$200 additional to each one all the way down; an increase of \$200 each, and an increase of \$100 for the stenographer. It seems to me, gentlemen, that the gross inadequacy of these salaries demands that they should be increased.

You understand that the computations on that Almanac are most intricate and difficult. These men are solar mathematicians, and their work is of the highest grade; and to expect them to do that work for less than the pay of an ordinary Government clerk is ludicrous, and I believe it is contrary to every principle of government under free institutions. They have not money enough to buy clothes or to get enough to eat. I do not think you want men to work that way. They are men who are married and have families and children. I hope that increase will be granted if possible.

Mr. BINGHAM. Since 1899, so far as our exhibit goes, you have run that Nautical Almanac office for \$15,900 a year. Now your whole proposition is increase of pay for the reasons you have given?

Prof. UPDEGRAFF. Yes, sir; \$200 for each man. There is not a man there who is not worth more than he is getting now, gentlemen, and more than what he would be getting after you gave the increase.

PAY OF COMPUTERS ON PIECEWORK.

Mr. BINGHAM. You have no trouble in retaining your force?

Prof. UPDEGRAFF. Now, gentlemen, about that there would be trouble in any other place on earth.

Mr. GILLETT. He means on the pay of computers on the Ephemeris. You have not asked any increase there?

Prof. UPDEGRAFF. No, but I have here a paper in which it is asked, and you may take it up here in the Committee and give us an increase of \$1,000.

Mr. GILLETT. It has not been estimated for; therefore we can not consider it.

Prof. UPDEGRAFF. We need \$100 for books the worst way, because the law at present prevents that.

Following are papers filed by Prof. Updegraff:

JANUARY 20, 1908.

SIR: 1. I was ordered here as Director of the Nautical Almanac on October 1, 1907, after the estimates for this office for the year ending June 30, 1909, had been prepared and sent to the Department. It is for this reason that I am under the necessity of making the following request.

2. For ten years previous to the fiscal year ending June 30, 1907, the annual appropriation "for pay of computers on piecework in preparing for publication the American Ephemeris and Nautical Almanac and improving the tables of the planets, moon and stars" in this office was \$7,000. Beginning with that year, the estimate for \$7,000 submitted to Congress by the Department was cut down to \$6,000, probably for the reason that for a year or two previously the appropriation had not been all used, a small part having been turned back into the Treasury.

3. However, the work now being done will make necessary the use of all the money appropriated for this year, and furthermore if the high standard set up in the "American Ephemeris and Nautical Almanac and the Papers Supplementary thereto" in the past is to be maintained, more money will be needed next year. A number of much needed changes are to be made in the Ephemeris and Nautical Almanac for the convenience and benefit of both navigators and practical astronomers, and a large amount of work is needed and is contemplated and some work is already in progress for improving the tables of the planets, moon and stars, as is required by the law. I therefore request that Congress be asked to raise the appropriation for the pay of piecework computers to the usual amount, \$7,000, for the fiscal year ending June 30, 1909.

4. In this connection, I desire to say that there is in this office no money for buying books other than periodicals. There are many standard works on mathematics and astronomy, logarithmic and other tables which are absolutely necessary in work of this kind which we either do not have or which are so torn, soiled and worn out with continued use as to be unserviceable. So great is the deficiency in the equipment of the office in this respect that many of the books of this kind used by the computers are either borrowed or purchased at their own personal expense. For this reason, I ask that Congress be specially requested to appropriate the sum of \$100 this

year "for the purchase of standard works on mathematics, astronomy and celestial mechanics and for logarithmic and other tables" for the Nautical Almanac Office.

Very respectfully,

*Professor of Mathematics, U. S. N.,
Director, Nautical Almanac.*

The SECRETARY OF THE NAVY,
Navy Department, Washington, D. C.

Summary of Appropriations for the Nautical Almanac, 1884-1908.

Fiscal year ending—	For "assistants," etc.	For "piece-workers."	For "rent," etc.	For services of competent mathematician.	Total appropriation.	"Contingent" of Navy Department allowed to Nautical Almanac.	Balance unexpended.
1884.....	\$14,400	\$8,600			\$23,000		\$0.00
1885.....	15,300	8,400			23,700	\$400	1.46
1886.....	15,300	8,400			23,700	325	3.75
1887.....	15,480	8,400			23,880	300	2.02
1888.....	15,480	8,400			23,880	200	44.65
1889.....	15,480	8,400			23,880	200	1.04
1890.....	15,480	8,400			23,880	300	.00
1891.....	15,480	8,400			23,880	350	.00
1892.....	15,480	9,900	\$1,000		26,380	400	.00
1893.....	15,480	9,200	1,000		25,680	300	.00
1894.....	15,280	8,400	1,000		24,880	300	.00
1895.....	15,480	8,400			23,880	200	.00
1896.....	15,480	7,000			22,480	300	.00
1897.....	15,480	7,000			22,480	300	.01
1898.....	15,900	7,000		\$2,500	25,400	300	.18
1899.....	15,900	7,000			22,900	300	.03
1900.....	15,900	7,000			22,900	300	.10
1901.....	15,900	7,000			22,900	300	.00
1902.....	15,900	7,000			22,900	300	.00
1903.....	15,900	7,000			22,900	300	\$1,157.43
1904.....	15,240	7,000			22,240	300	674.32
1905.....	15,240	7,000			22,240	300	.56
1906.....	15,240	7,000			22,240	275	54.75
1907.....	15,240	6,000			22,240	275	1,441.39
1908.....	15,240	6,000			22,240	275	

MEMORANDUM CONCERNING SALARIES IN THE NAUTICAL ALMANAC OFFICE.

JANUARY, 1908.

Prepared for the use of the Superintendent, U. S. Naval Observatory.

The estimates for the salaries of the force of the Nautical Almanac Office for the fiscal year ending June 30, 1907, submitted to the 60th Congress, 1st session, by the Secretary of the Navy, provide for an increase of \$200. for each Assistant and of \$100. for the Copyist and Typewriter.

Certain recommendations by the Superintendent of the Observatory concerning grades and salaries in the Nautical Almanac Office were made to the Keep Commission on September 11, 1907. Other recommendations on the same subject, approved by the Superintendent, U. S. Naval Observatory, were sent to the Secretary of the Navy for transmission to the Keep Commission on December 23, 1907. The following quotations are taken from a statement which accompanied these latter recommendations:—

"These men, versed in the higher mathematics and celestial mechanics and using their knowledge and skill in making the difficult calculations for predicting with accuracy the future places in the heavens of the Sun, Moon and planets on which depend the work of astronomers and the navigation of the vessels of the Navy and the merchant marine, are paid from \$200. to \$400. less than clerks of the higher classes. The records in this office show that the salaries of these men have not been raised for twenty-five years; that is since 1882.

"The estimates submitted to Congress this year by the Secretary of the Navy, provide for an increase of \$200 in the salaries of Assistants of all grades in this office. The recommendations submitted herewith provide for a further increase of 7½% which raises the pay in the highest grade to \$1920, only \$120 more than the present pay of clerks of the highest grade, and somewhat less than the pay of men doing scientific work no higher in character in other Departments of the Government."

"The clerical work in this office is of such a character as to justify in my opinion a provision for a Junior Clerk. In the past, the time of some of the regular assistants has been used, to the detriment of the scientific work of the office, in work of a purely clerical character which could hardly be entrusted to a copyist and typewriter or to an under clerk."

A table showing the present and proposed salaries of the Assistants in the Nautical Almanac Office is appended.

Table showing the present and proposed salaries of the Assistants in the Nautical Almanac Office.

Name of present incumbent.	Title.	Length of service in Nautical Almanac Office.	Present salary.	Proposed salary (estimates).	Salary recommended to Keep Commission.
		<i>Years.</i>			
H. B. Hedrick.....	Assistant.....	21	\$1,600	\$1,800	\$1,920
W. Auhagen.....	do.....	23	1,600	1,800	1,920
J. Robertson.....	do.....	16	1,600	1,800	1,920
H. G. Hodgkins.....	do.....	20	1,400	1,600	1,680
W. T. Carrigan.....	do.....	7	1,400	1,600	1,680
E. D. Tillyer.....	do.....	6	1,200	1,400	1,500
Arthur Snow.....	do.....	5	1,200	1,400	1,500
Arthur Newton.....	do.....	4	1,200	1,400	1,380
W. M. Hamilton.....	do.....	2	1,000	1,200	1,380
H. H. Brogan.....	do.....	1	1,000	1,200	1,380
E. Ingersoll.....	Copyist and typewriter.	2	900	1,000	^a 1,200

^a Junior clerk.

U. S. NAVAL OBSERVATORY, NAUTICAL ALMANAC OFFICE,
Washington, D. C., January 20, 1908.

SIR:

1. I was ordered here as Director of the Nautical Almanac on October 1, 1907, after the estimates for this office for the year ending June 30, 1909, had been prepared and sent to the Department. It is for this reason that I am under the necessity of making the following request.

2. For ten years previous to the fiscal year ending June 30, 1907, the annual appropriation "for pay of computers on piecework in preparing for publication the American Ephemeris and Nautical Almanac and improving the tables of the planets, moon and stars" in this office was \$7000. Beginning with that year, the estimate for \$7000 submitted to Congress by the Department was cut down to \$6000, probably for the reason that for a year or two previously, the appropriation had not all been used, a small part having been turned back into the Treasury.

3. However, the work now being done will make necessary the use of all the money appropriated for this year, and furthermore if the high standard set up in the "American Ephemeris and Nautical Almanac and the Papers Supplementary thereto" in the past is to be maintained, more money will be needed next year. A number of much needed changes are to be made in the Ephemeris and Nautical Almanac for the convenience and benefit of both navigators and practical astronomers, and a large amount of work is needed and is contemplated and some work is already in progress for improving the tables of the planets, moon and stars, as is required by the law. I therefore request that Congress be asked to raise the appropriation for the pay of piecework computers to the usual amount, \$7000, for the fiscal year ending June 30, 1909.

4. In this connection, I desire to say that there is in this office no money for buying books other than periodicals. There are many standard works on mathematics and astronomy, logarithmic and other tables which are absolutely necessary in work of this kind which we either do not have or which are so torn, soiled and worn out with continued use as to be unserviceable. So great is the deficiency in the equipment of the office in this respect that many of the books of this kind used by the computers are either borrowed or purchased at their own personal expense. For this reason, I ask that Congress be specially requested to appropriate the sum of \$100 this year "for the purchase of standard works on mathematics, astronomy and celestial mechanics and for logarithmic and other tables" for the Nautical Almanac Office.

Very respectfully,

MILTON UPDEGRAFF,

Professor of Mathematics, U. S. N., Director, Nautical Almanac.

The SECRETARY OF THE NAVY,
Navy Department, Washington, D. C.
(Bureau of Equipment.)

BUREAU OF STEAM ENGINEERING.

STATEMENT OF MR. W. H. SMITH, CHIEF CLERK.

INCREASE OF FORCE AND OF SALARIES.

Mr. BINGHAM. On page 202 is the item respecting the Bureau of Steam Engineering. You now have \$22,180 under the current law, and you ask for \$29,340. In other words, you request an increase of \$7,000. Divide that paragraph into two parts: First, your absolute necessity for increased force, four clerks; then follow that with the reasons why you want that great addition to the pay of the present force.

Mr. SMITH. We ask for a net increase of four clerks: one clerk of class four, one clerk of class three, one clerk of class two, three clerks of class one, and three clerks at \$1,000, and omit one clerk at \$1300, and one clerk at \$1100, and one clerk at \$840, one stenographer at \$1,000 and one stenographer at \$900. We have a division now on the logs and records. Capt. Bieg is the officer in charge of that. He has to examine 600 steam logs every year, and the requisitions for ship supplies; and we believe it was a wise thing to have him put there, because heretofore our requisitions for ship supplies were made out by the engineers on the ships, and of course they asked for all sorts of unnecessary things. Now we have an officer who scans those things, and he does not allow everything that the officer on the ship asks. When a man wants to make a trip, say of three years, he says he ought to have that much. This officer alone cannot begin to take care of that work. What we asked for was to cut out those lower class clerks and add those of higher grade and greater efficiency.

Then for my office, in the file room, several years ago the Department ordered us and others to introduce the up-to-date card filing system, making cases, you understand; but we have never been able to do that fully because we have not had clerks enough to do it. So I ask for a \$1,000 clerk and a \$900 clerk for that work in order to bring our office up to date on that work. Last year we handled, of incoming mail, over 30,000 pieces. That does not include the current reports. There is a lot of current work, like the condition of machinery and vessels, which is simply for information, and when that is once examined, that ends it. It comes in monthly, and there are probably some 5000 mail pieces. Then as to the outgoing mail in that key room, there were over 20,000 pieces that went out. We are now working overtime to bring up the arrears.

Mr. GILLET. The whole force?

Mr. SMITH. No, not the whole force. Last night I spent a couple of hours there myself, and I seldom get away for my annual leave. I do not want to boast about it, but I do not suppose I have taken thirty days' leave in ten years. One year I was sick, and I got thirty-two days that year because I was sick. Most of the other clerks get their thirty days, although some do not get that much. A man in my office last year was sick and was away two months, and with that exception he had not had eight days' leave on an average in any year for the last five years. That is the condition of my office. Having been there for forty years, it has become the work of my life, and I take pride in the work there.

DRAFTSMEN.

Mr. BINGHAM. Now, your major part is increase of pay to the draftsmen?

Mr. SMITH. Yes.

Mr. TAWNEY. These estimates for the increase of pay were made last September, were they not?

Mr. SMITH. Yes, sir.

Mr. TAWNEY. I want to ask you whether in your judgment the estimates for increase of pay would have been submitted had the financial conditions of the Government been then as they are now, with the revenue decreasing instead of increasing?

Mr. SMITH. Frankly, perhaps they would not. While I have an increase of pay there for myself, I would rather have an increase of force than increase of pay for myself. I need the men. I would like to have the men, and I need the men most. I would rather have an increase of force than an increase of pay.

Mr. BINGHAM. The large body of this appropriation, \$12,000 and more, goes to the per diem men?

Mr. SMITH. Yes.

Mr. BINGHAM. Is it your purpose to increase their pay?

Mr. SMITH. Not unless there is a general increase throughout the force.

Mr. BINGHAM. Your leading draftsmen get \$7.04 a day, and then the others drop down from \$6.48 to \$6.00 and \$5.52, and on down to \$3.04?

Mr. SMITH. Yes.

Mr. BINGHAM. You have asked for a large increase. Do you propose to increase the per diem men?

Mr. SMITH. It is this way, General: It was thought that there would be possibly a general increase of clerical pay of something in the neighborhood of 10%. That was a dream, but so we have based these estimates for the increase of the draftsmen on the assumption that there would be an increase all along the line.

EMPLOYMENT OF NAVAL OFFICERS.

Mr. BINGHAM. Are there any officers of the Navy detailed in your bureau?

Mr. SMITH. Oh, yes, a good many.

Mr. BINGHAM. How many?

Mr. SMITH. I think about ten. They are heads of the different divisions. There are two in the bureau in charge of ships, and one in that of the new ships; that is three, and the new assistant chief of the bureau is four, and three in the drafting room, examining drawings, and three others. That makes ten.

BUREAU OF CONSTRUCTION AND REPAIR.

STATEMENT OF ADMIRAL WASHINGTON LEE CAPPS, CHIEF
CONSTRUCTOR.

INCREASE OF FORCE.

Mr. BINGHAM. Admiral, you ask for three increases to your clerical force, and the remainder of the increases in your estimate for the next fiscal year are increases of compensation. First, please give us the reasons why you want the increase of force.

Admiral CAPPS. The increase in the number of clerical employes is recommended for the reason that during the past year there were more than 3400 hours of extra or overtime work performed by the clerical employes of the Bureau of Construction and Repair; also, 27 clerks relinquished a part of the annual leave to which they were entitled, in order that the work of the Bureau might not get in arrears, the amount of leave so relinquished by each clerk varying from 2 days to 24 days. Moreover, the Department has, for some years past, assigned to the work of this Bureau an \$1800.00 clerk carried on the rolls of the Judge Advocate General's Office, also an assistant messenger carried on the rolls of the Bureau of Yards and Docks, and has utilized in the Secretary's office a \$1600.00 clerk carried on the Construction and Repair rolls. It is the desire of the Department that the clerks hereafter be carried on the rolls of the Bureau in which they are actually performing duty. So that, although three \$1800.00 clerks are provided for in the Bureau's recommendations, one of these positions would be filled by transfer of an \$1800.00 clerk now carried on the rolls of the Judge Advocate General.

As a further reason for the increase in force recommended, it may be noted that the Bureau is at the present time, under specific authority of the Secretary of the Navy, working a large part of its office force 1 hour overtime daily, in order not to be in arrears in its current work.

Mr. GILLET. You do not mean you are doing that with the whole force?

Admiral CAPPS. No; but about two-thirds of the clerical force of the Bureau is now working 1 hour overtime daily.

INCREASES OF SALARY.

Mr. BINGHAM. Now give us the reason why you ask for increase of pay. You have been given for the present fiscal year exactly what you have asked for in the past fiscal year, and that has been sufficient for the maintenance of your office exactly as it was in 1906. Now you increase \$7,000, with an increase of three clerks. All the remainder is for increase of compensation.

Admiral CAPPS. Yes, sir. Many times during the past three years the attention of the Department has been called to the fact that we were constantly losing some of our best clerical employees on account of inadequate compensation. It is only in the last year, however, that the Department has fully realized the extreme gravity of the situation and has authorized the incorporation in the annual estimates of such an increase as the Bureau considered absolutely neces-

sary to maintain the efficiency of the force. On October 3, 1907, a letter was addressed to the Department, setting forth the exact condition. I will not bother you or detain you by reading that letter, but, with your permission, will give it to the stenographer for incorporation in the hearing. This letter of October 3, 1907, calls particular attention to the fact that during the past two and one-half years 44% of the total clerical force of the Bureau had resigned or been transferred. Those resignations included the chief clerk, the principal financial clerk, the principal file clerk, and other important members of the clerical force—all of them men who were most necessary in the running of the establishment.

Mr. GILLET. Have they gone outside, generally, or have they gone to other Departments?

Admiral CAPPS. They have been transferred to other Departments of the Government, or have taken positions in civil life. But such changes in the clerical force of an organization that is handling work involving the expenditure of \$25,000,000.00 a year are very serious. Moreover, the letter above referred to was accompanied by a tabulated statement showing that the average pay in the Bureau of Construction and Repair was less than the average pay of any bureau in the Navy Department, and less than the average pay of any bureau in the War Department or Treasury Department, and the difference between the average pay of clerical employees in the Bureau of Construction and Repair and that of equally important bureaus in other Executive Departments is most marked. I do not want to make any invidious comparisons at all, but this difference in pay explains in large measure the reason why the clerks in the Bureau of Construction and Repair and other bureaus in the Navy Department, resign to accept civil employment or transfer to other Departments of the Government.

There was also given in my letter of October 3, 1907, a detailed statement of the names of the clerical employees who had resigned or had been transferred, etc., and as previously noted that document will with your permission be appended to the testimony. After training these men in their more or less specialized work, it is very embarrassing to lose them in such large numbers since we then have to begin anew with inexperienced men, with corresponding loss of efficiency. If our clerical force had greater inducements to remain in this branch of the public service, it is possible that later on we might slightly reduce our force below that recommended in the Bureau's letter to the Department; but I cannot promise that, since the work of this branch of the Government seems to be constantly increasing and the Department has already made one reduction in the number recommended by the Chief of Bureau, so that I feel that the number included in the estimates is the lowest limit that I would be justified in recommending.

Mr. BINGHAM. Is your work up, current?

Admiral CAPPS. Not quite, sir; but we are working overtime in several divisions, and last year as previously noted we put in over 3,400 hours of extra time, and twenty-seven clerks relinquished a portion of their annual leave, the amount of leave relinquished by each of these employees varying from two to twenty-four days.

Mr. GILLET. About how many clerks have you, in all?

Admiral CAPPS. At the present time we have 40 clerks, 10 messenger boys, and an assistant messenger and laborer—in all 52. The messenger boys are of course available for minor clerical work in the file room and elsewhere when their services are urgently needed for such additional work as has been the case for some time past.

SERVICES OF DRAFTSMEN, ETC.

Mr. BINGHAM. Now, Admiral, the next paragraph is marked to be stricken out.

Mr. COURTS. There is a letter from the Secretary of the Navy requesting restoration and continuance of that provision authorizing employment of draftsmen, etc., out of general funds.

Mr. BINGHAM. What is your allowance now—\$120,000?

Admiral CAPPS. No, sir. That is the total allowance for draftsmen and technical services for the Bureaus of Construction and Repair, Steam Engineering, Equipment, and Ordnance, payable from appropriation "Increase of the Navy," the Construction and Repair portion of which, last year, was \$74,456.44.

Mr. BINGHAM. That is from appropriation "Increase of the Navy." That is necessary to continue you just as you are at present?

Admiral CAPPS. Yes, sir; it does not mean any additional appropriation.

The following is the letter referred to by Admiral Capps:

DEPARTMENT OF THE NAVY, BUREAU OF CONSTRUCTION AND REPAIR, *Washington, D. C., October 3, 1907.*

SIR: 1. In compliance with the instructions contained in the Department's circular letter of July 1, 1907, No. 24690, there is submitted herewith estimate of appropriation required under the Legislative Bill for the Bureau of Construction and Repair, on account of the fiscal year ending June 30, 1909, as follows: Estimate, Sheet "A," and comparative statement covering the same under the Navy Department.

2. The Bureau has used the phraseology of the Acts for the fiscal year ending June 30, 1908, in making estimate for the same appropriation for the fiscal year ending June 30, 1909.

3. In accordance with the requirements of the 2nd section of the Act of July 11, 1890, Stat. 26, page 268, the Bureau has to report that none of its employees is below a fair standard of efficiency.

4. In accordance with the authority contained in the Department's letter No. 3176 of April 9, 1907, the Bureau has included estimates based upon the following changes and additions to its present force:

Additions.—\$500.00 to the salary of the Chief Clerk. Three clerks, Class 4, \$1800.00 each. One clerk, Class 2, \$1400.00. Three clerks, Class 1, \$1300.00 each. Four clerks, Class 1, \$1200.00 each. Five assistant messengers, \$720 each. Three messenger boys, \$400.00 each. Total additions, 19.

Omissions.—One clerk, Class 3, \$1600.00. One clerk, Class E, \$1100.00. Seven clerks, class E, \$1000.00 each. Laborer, \$660.00. Five messenger boys, \$600.00 each. Total omissions, 15.

Net additions, 4.

5. The above re-ratings and increases are submitted after careful consideration of the Bureau's needs, and having specially in mind the large number of resignations and transfers which have occurred during the past two and a half years.

6. A list showing the Bureau's losses through resignation and transfer during the period noted is given below:

Name.	Pay.	Separated by—	Date of separation.
E. C. Hart.....	\$1,000	Resignation.....	March 14, 1905
K. C. Crain.....	900	Transfer, War Department.....	May 31, 1905
B. F. Cash.....	1,000	Transfer, Dept. of Justice.....	June 26, 1905
T. C. Elder.....	1,000	Transfer, P. O. Department.....	July 31, 1905
B. W. Beck.....	1,900	Resignation.....	Sept. 26, 1905
B. E. Hinton.....	1,100	Resignation.....	Jan'y. 1, 1906
F. H. Yount.....	1,100	Transfer, Treasury Dept.....	March 9, 1906
W. Curtis.....	1,000	Resignation.....	May 7, 1906
L. Schapiro.....	600	Transfer, Treasury Dept.....	Sept. 30, 1906
E. Hamilton.....	1,400	Transfer, Interior Dept.....	Oct. 1, 1906
S. I. Besselièvre.....	2,000	Resignation.....	Oct. 8, 1906
S. F. Shrout.....	1,000	Transfer, Dept. C. & L.....	Jan'y. 7, 1907
L. B. Russell.....	900	Transfer, Dept. C. & L.....	Jan'y. 21, 1907
R. C. Shelse.....	1,100	Transfer, Dept. C. & L.....	Jan'y. 29, 1907
R. C. Hefebower.....	1,000	Resignation.....	March 5, 1907
B. H. Dutrow.....	1,200	Transfer, Dept. Agriculture.....	April 22, 1907
A. A. Pearson.....	600	Resignation.....	April 24, 1907
N. K. Buck.....	1,000	Transfer, Interior Dept.....	June 3, 1907
A. J. Decker.....	1,000	Transfer, Department State.....	June 18, 1907
W. Wagner.....	900	Resignation.....	Aug. 2, 1907
W. Carter.....	1,000	Resignation.....	Sept. 16, 1907
W. Campbell.....	660	Resignation.....	Aug. 31, 1907
N. A. Becker.....	900	Resignation.....	Sept. 30, 1907

7. The above table emphasizes more eloquently than any words can express the necessity for some radical improvement in the present condition and future prospects of the Bureau's clerical force, since the resignations and transfers during the past twenty-nine months have amounted to more than 44% of the total force employed. Administrative work conducted under such conditions of rapid and continuous change in personnel is necessarily less efficient and less economical than when greater permanence of employment is assured, and the necessity for some Congressional action which will ameliorate these disadvantageous conditions seems too obvious to require extensive comment.

8. The Department's attention has been heretofore invited to the inadequate pay of the clerical force of this Bureau, especially in the higher grades, and note has also been made of the fact that some of its most valuable clerks have sought and accepted transfer to other Executive Departments in which the opportunities were more favorable for rapid promotion, or in which a substantial increase in pay was offered, as in the cases of Messrs. Hamilton, Dutrow, Shelse, and Buck, whose transfers are noted in the foregoing list.

9. So far as the Bureau is aware, its many losses through resignation and transfer are directly attributable to the lack of any reasonable prospect of advancement in pay, as compared with that obtainable in other branches of the public service, and in civil life, by men of equal merit. In support of this contention it may be noted that the Bureau has only eight clerks (exclusive of the Chief Clerk) whose annual compensation is more than \$1200. Since the work of this branch of the Navy Department is largely of a technical nature, it is especially important that experienced clerks should be encouraged to remain in its employ, and it is believed that this result can only be

obtained by providing reasonable promotion in general conformity with the recommendations herein contained.

10. The changes in the Bureau's clerical force, referred to, would have interfered more or less seriously with the efficient performance of work had it not been for the faithful and earnest efforts of its more experienced employees, and credit is due to the clerical force as a whole for the many hours of voluntary overtime devoted to their work as well as to the relinquishment of a portion of their well-earned leave.

11. There is enclosed herewith a tabular statement showing the average pay of the clerical employees in the various Bureaus and Offices of the Navy Department, also in the Treasury and War Departments, from which it will be seen that the average pay of the clerical force of the Bureau of Construction and Repair is lower than that obtaining in any of the Bureaus or Divisions cited.

12. With reference to the increase in pay recommended for the Chief Clerk of the Bureau, the Department's attention is invited to the Bureau's endorsement # 1276-A. 22 of October 6, 1906, forwarding the resignation of the former Chief Clerk of this Bureau, in which it was stated that the comparative lack of pecuniary inducement for civil employees of special qualifications to continue in the Government service was fully realized by the Department, and recommending that special consideration be given to the question of providing an increase in pay for the higher-grade civil employees under the jurisdiction of the Navy Department.

13. In conclusion, it should be noted that the net total increase in pay of the clerical force of the Bureau, as proposed, including the four additions to the force necessary to take care of the constantly increasing work of the Bureau, is only \$7440.00, or a net increase, including the additions to the force, of only 14% on the former pay roll.

14. In accordance with the 7th section of the Act approved March 2, 1895, Stat. 26, page 764, the Bureau states that no part of its work is in arrears, except the work in connection with the calls from the Court of Claims. This matter was brought to the Department's attention in Bureau's letter # 964-A.15 of July 3, 1907, and the Department authorized the temporary appointment of two typewriters at \$2.80 per diem. While the work has progressed more satisfactorily since the employment of these men, it appears that their services will be required for a considerable period of time if the calls from the Court of Claims continue to be presented in the same volume as in the past.

15. In accordance with the Department's memorandum of September 24, 1907, there has been eliminated from the estimates one clerk of Class 3—\$1600.00—employed in the Secretary's office, and there has been added thereto one clerk of Class 4—\$1800.00—employed in this Bureau and carried on the rolls of the Judge Advocate General's Office, and one assistant messenger employed in this Bureau and carried on the rolls of the Bureau of Yards and Docks.

Very respectfully,

(Signed) W. L. CAPPS,

Chief Constructor, U. S. N., Chief of Bureau.

THE SECRETARY OF THE NAVY.

Statement showing average pay of clerks in Navy, War and Treasury Departments, not including messengers and laborers.

[Compiled from Legislative, Executive and Judicial Bill, approved Feb. 26, 1907.]

NAVY DEPARTMENT.

Secretary's Office.....	\$1, 500. 00
Office of Judge Advocate General.....	1, 363. 63
Bureau of Navigation.....	1, 132. 66
Bureau of Yards and Docks.....	1, 291. 66
Bureau of Construction and Repair.....	1, 132. 50
Bureau of Steam Engineering.....	1, 241. 66
Bureau of Equipment, (including Hydrographic Office).....	1, 180. 95
Bureau of Ordnance.....	1, 189. 52
Bureau of Supplies and Accounts.....	1, 157. 63
Bureau of Medicine and Surgery.....	1, 240. 00
Office of Naval Intelligence.....	1, 262. 50
Naval Observatory.....	1, 366. 66
Office of Naval Records.....	1, 375. 00
Library.....	1, 300. 00

WAR DEPARTMENT.

Secretary's Office.....	1, 437. 50
Inspector General's Office.....	1, 485. 50
Signal Office.....	1, 216. 60
Military Secretary's Office.....	1, 307. 02
Judge Advocate General's Office.....	1, 317. 85
Quartermaster General's Office.....	1, 222. 86
Commissary General's Office.....	1, 194. 91
Office of Chief of Ordnance.....	1, 291. 81
Office of Chief of Engineers.....	1, 308. 95
Surgeon General's Office.....	1, 365. 68
Paymaster General's Office.....	1, 315. 68
Office of Insular Affairs.....	1, 230. 64

TREASURY DEPARTMENT.

Secretary's Office.....	1, 451. 08
Supervising Architect's Office.....	1, 518. 75
Office of Auditor for Treasury Department.....	1, 365. 18
Office of Auditor for Navy Department.....	1, 312. 27
Office of Auditor for Interior Department.....	1, 345. 13
Office of Auditor for State and other Departments.....	1, 461. 97
Office of Auditor for Post Office Department.....	1, 248. 75
Office of Comptroller.....	1, 870. 00
Office of Treasurer.....	1, 320. 90
Office of Comptroller of Currency.....	1, 321. 21
Office of Register.....	1, 201. 96
Office of Commissioner of Internal Revenue.....	1, 298. 10
Office of Life Saving Service.....	1, 450. 00
Secret Service Division.....	1, 537. 50
Bureau of Engraving and Printing.....	1, 196. 88
Office of Director of the Mint.....	1, 525. 00

BUREAU OF ORDNANCE.

STATEMENT OF REAR-ADMIRAL N. E. MASON, CHIEF OF BUREAU.

Mr. BINGHAM. Admiral, you now have \$31,360 under the current law. You expend it all, I suppose?

Admiral MASON. Yes, sir.

Mr. BINGHAM. You ask for \$36,080, an increase of \$4,720?

Admiral MASON. We ask for two additional clerks, and in addition to that an increase of pay and a rearrangement. The reason for the two additional clerks is that the present force in the bureau is insuf-

ficient to transact the ordinary current routine work, leaving undone many things that should be done, especially in the matter of record work and the preparation of statistics.

Last year Congress gave us two clerks, one at \$1,600 and one at \$1,200. These were allowed, but notwithstanding the increase given, we still found that the steadily increasing demands on the bureau required additional assistance. We are handling about \$23,000,000 of appropriations every year, and we have 20 clerks, with the addition of an engineer and computer and three draftsmen, to do the work. I really think we ought to have two more clerks to keep things going.

Mr. BINGHAM. Have you that in form there?

Admiral MASON. Yes; this memorandum can very well be embodied in my statement.

Mr. BINGHAM. Your proposed increase shows the proper form in which you think your force should be, largely because of the increased cost of living?

Admiral MASON. Yes; and in the case of the chief clerk, I think the chief clerk of an important bureau like that, getting only \$2,000 a year, is getting small pay for the kind of work he is doing.

Mr. BINGHAM. Which is the most necessary for you for the continued efficiency of your bureau—the increase of two clerks or the increased compensation of the subordinate force?

Admiral MASON. I should say the increased number of clerks—

Mr. BINGHAM. That is right—

Admiral MASON. Because the others will do less work then.

Mr. GILLETT. Are you working overtime now regularly?

Admiral MASON. We have just finished an overtime order in the Bureau of Ordnance on January 10. One division had been working overtime for 30 days, putting in an hour and a half or two hours a day in the file room. In another division we managed to get the back work up to date by making people from other divisions turn in and help.

Mr. BINGHAM. What is your force? How many divisions have you?

Admiral MASON. I call them divisions, but one is the file room and the other is the clerical force. We have 20 clerks. It is not like a division of the Treasury Department, or anything like that.

Mr. BINGHAM. How many officers are detailed from the Navy in your bureau?

Admiral MASON. We have eight officers besides myself; nine officers; 20 clerks, an ordnance engineer and computer, and three draftsmen.

Mr. BINGHAM. Is your work current, so far as it can be?

Admiral MASON. The current work was up on the 10th of January, but we had to work over-time to get it, and probably we will have to work over-time again at the end of a month or so.

The following was filed by Admiral Mason:

Memorandum concerning estimates for Bureau of Ordnance under the legislative, executive and judicial bill, year 1908-1909.

The present clerical force consists of the following:

1 Chief clerk at \$2,000 per annum.....	\$2,000
1 Draftsman at \$1,800 per annum.....	1,800
(performing clerical work).	
1 Clerk at \$1,600 per annum.....	1,600
2 Clerks at \$1,400 per annum.....	2,800
1 Clerk at \$1,300 per annum.....	1,300
3 Clerks at \$1,200 per annum.....	3,600
1 Clerk at \$1,100 per annum.....	1,100
5 Clerks at \$1,000 per annum.....	5,000
3 Clerks at \$900 per annum.....	2,700
2 Clerks at \$840 per annum.....	1,680

Total 20 \$23,580 per annum.

In addition to these, it has one Ordnance engineer and computer at \$3,000 per annum and three draftsmen whose pay varies from \$4.00 per day to \$6.00 per day.

It is recommended that the above be changed as follows:

1 Chief clerk at \$2,500 per annum.....	\$2,500
1 Clerk at \$2,000 per annum.....	2,000
1 Clerk at \$1,800 per annum (this is not additional, but rating changed from draftsman to clerk).....	1,800
2 Clerks at \$1,600 per annum.....	3,200
3 Clerks at \$1,400 per annum.....	4,200
3 Clerks at \$1,200 per annum.....	3,600
3 Clerks at \$1,100 per annum.....	3,300
5 Clerks at \$1,000 per annum.....	5,000
3 Clerks at \$900 per annum.....	2,700

Total 22 \$28,300 per annum.

Total increase in force, 2 clerks.

Proposed force.....	\$28,300 per annum.
Present force.....	23,580 per annum.

Increase..... \$4,720 per annum.

2. This represents an increase in the pay of the chief clerk of \$500 per annum; an additional clerk at \$2,000 per annum; an additional clerk at \$1,600 per annum; and the reclassification of the following:

3 clerks at \$1,400 per annum instead of 2. Elimination of 1 clerk at \$1,300 per annum.

3 clerks at \$1,100 per annum instead of 1. Elimination of 2 clerks at \$840 per annum.

3. The Bureau in its last estimates asked Congress for 2 additional clerks, 1 at \$1,600 per annum and 1 at \$1,200 per annum, and these were allowed, but notwithstanding this increase, the Bureau finds that the steadily increasing demands upon it call for additional assistance.

4. The present force is barely sufficient to transact the ordinary routine current work of the Bureau, leaving undone many things which should be done, especially in the matter of record work and the preparation of statistics.

5. While it is able to answer in a fairly reasonable time most questions asked it, and to handle current work, yet in the absence of the higher clerks, through illness, leave of absence, or other causes, delay must necessarily ensue sometime, owing to the inexperience of the younger clerks.

6. The Bureau would call attention to the report of the Secretary of the Navy for the year 1906, under the heading "The Civil Establishment," in which he states that the large number of resignations in the "Civil Establishment," and the frequent refusal of applicants to accept positions offered them by the Civil Service Commission, had continued to be a serious embarrassment and injury to the service, and "that this may be caused, in some measure, by the fact that the scale of salaries in this Department

is generally lower than in most others;" but that it is thought that the absence of any sufficient opportunity for promotion constituted a more serious and permanent impediment to retaining the services of the best men.

7. The Bureau therefore earnestly recommends that the reclassification of salaries proposed above for the fiscal year 1908-9 may be allowed, in order to obtain the services of good clerks and to retain those who have already been fairly well educated in its work.

8. In regard to the proposed increase in the salary of the chief clerk, the Bureau would state that in its last estimates to Congress, an increase of \$250 per annum was asked for, and allowed by the Department, but not by Congress.

9. It is understood that all of the Bureaus of the Department are recommending an increase in the salary of the chief clerks, as well as a reclassification of the clerical force.

10. The duties of the chief clerk of the Bureau of Ordnance are of a very responsible, intricate, and complicated character, involving the preparation of all kinds of statistics, and the supervision of correspondence, requisitions, vouchers, and records, at present covering the expenditure of approximately \$25,000,000 per annum, which has been increasing from year to year, and this work necessarily requires the most careful and painstaking consideration and the devotion of his full official time, and overtime work at frequent intervals.

11. The Bureau therefore earnestly recommends that this increase may be allowed.

12. As an indication of the difficulty the Bureau has had in holding good clerks, it will point out that while the present number of clerks on its rolls is 20, since the year 1900 it has lost 29 clerks by resignation, transfer, or promotion to other Departments, principally expert stenographers and trained file record clerks.

13. This Bureau has had appropriations since the year 1887 amounting to \$203,317,-785.00, and it will be readily seen that the handling of such large appropriations as it has had at its disposal should be supervised by the most capable and intelligent clerks possible to obtain.

BUREAU OF SUPPLIES AND ACCOUNTS.

[See also page 295.]

STATEMENT OF ADMIRAL EUSTACE B. ROGERS, CHIEF OF BUREAU AND PAYMASTER GENERAL.

Mr. BINGHAM. Admiral, the present law gives you \$93,000 for the conduct of your bureau. You ask for \$112,000.

Admiral ROGERS. Yes, sir.

INCREASE OF FORCE.

Mr. BINGHAM. In the increase proposed there are 9 additional subordinate force. Give us your reasons as briefly as you can for that additional force.

Admiral ROGERS. I ask of you sufficient time to do this. This matter is absolutely vital to the work of my bureau. Please do not confine me to fifteen minutes unless it is absolutely necessary.

Mr. BINGHAM. Have you got that necessity stated in the form of a brief?

Admiral ROGERS. No, sir, not yet. I have it in typewriting.

Mr. BINGHAM. Give us the general necessity, and you can have all the benefit that your interview would give you in your statement. That goes into minute detail?

Admiral ROGERS. Yes.

Mr. BINGHAM. Give us the general statement now.

Admiral ROGERS. The general statement is this, sir: That the work of the Bureau of Supplies and Accounts has increased ten times in ten years. Our appropriations have increased from \$34,000,000 to over \$100,000,000, with all the attendant work. I have to-day only 65% more clerks than we had in 1897. We had 46 in 1897, and we have 76 to-day. Since I have been in the Bureau of Supplies and Accounts I have shortened the processes in such a way as to gain the

work of five clerks; otherwise I could not have gotten on. I absolutely can not get on without the eight clerks I now ask for. The messenger, of course, is not so vital, although I would like to have him.

The work of the bureau is increasing enormously. I have just brought up here the very best possible visual evidence I can give you, and that is my correspondence [producing sundry bound volumes]. There is my correspondence from 1897, ten years ago.

Mr. BURLISON. Were you at the head of the bureau at that time?

Admiral ROGERS. No, sir; but I have taken pains for six months in preparing all this data for this very hearing, sir. I thought that there would be nothing that I could say to you in a month that would tell you as effectively as this. There is my correspondence for one month in 1897. Here it is in 1905, one month, October. There it is one month in 1906, and that is the month of October. You gentlemen know what correspondence means, and all the work that is necessary to do in order to produce those letters. These are only letters, not reports.

Mr. TAWNEY. How much has your work increased in consequence of the fleet being transferred from the Atlantic to the Pacific?

Admiral ROGERS. It was increased enormously, but that was only temporary. It covered only two months.

Mr. TAWNEY. That is the increase represented in these volumes here?

Admiral ROGERS. No, sir. I have picked these out as an average. This is one of the smallest volumes [indicating] of that year. These are average years, and this represents an average year. I have one month larger than that. I was particularly careful so as not to pick out the largest. Any member of the Committee can come down to the Department and see these on the shelves.

Mr. BINGHAM. Is your work larger to-day than it was during the Spanish War?

Admiral ROGERS. Much larger. I did more work in fitting out that Atlantic fleet in New York in 1898 than is represented in any one transaction during the war with Spain. There was not so much correspondence connected with it. It was simply hurry work.

Mr. BINGHAM. Where did you get the subordinate force to do that work?

Admiral ROGERS. I got the paymasters to help me.

Mr. BINGHAM. How great was that detail?

Admiral ROGERS. There were three paymasters ordered there. Two are there still on temporary duty, and they will go before the summer.

Mr. BINGHAM. In lieu of those, you must have these clerks?

Admiral ROGERS. Yes, sir; in lieu of those I must have these clerks. Of course if you have not time to go over these details, I will not worry you with them.

Mr. BINGHAM. Is this the correspondence [indicating]?

Admiral ROGERS. Yes, sir. I want to assure you that this is only an average. I can show you a month in 1907 that is bigger than this [indicating].

Mr. GILLET. Are the clerks working overtime?

Admiral ROGERS. Yes; some of them work until six and seven o'clock, the officers at times until eleven o'clock at night. I never leave the office myself until past six o'clock.

Mr. BRICK. How many or what portion are working overtime?

Admiral ROGERS. I should say one-third; the chiefs of sections and their chief subordinates.

Mr. GILLETT. How long has that been going on?

Admiral ROGERS. For several years.

Mr. GILLETT. All the time?

Admiral ROGERS. All the time, sir.

EMPLOYMENT OF NAVAL OFFICERS.

Mr. BINGHAM. How many officers have you on detail?

Admiral ROGERS. Nine officers; three on temporary duty.

Mr. GILLETT. How long have you been connected with the bureau?

Admiral ROGERS. Since the first of November, 1906. I would much prefer to put civilians in the place of the officers, because the civilian is permanent and the officer should go to sea. That is what he is in the Navy for.

Mr. GILLETT. Could clerks take their places?

Admiral ROGERS. Yes.

Mr. BINGHAM. One thousand eight hundred dollar clerks?

Admiral ROGERS. Yes, because they are all of them doing rather important duties.

Mr. GILLETT. They are not doing any executive work, are they?

Admiral ROGERS. Yes. Six of them are doing executive work, and three of them are doing work that a one-thousand-dollar clerk with training could do as well. The chief of the contract section is in charge of the most important section in the bureau. Our contracts have been increased from about two million dollars to fifteen million dollars in ten years. Our circulars or schedules have increased from 65,000 to over 800,000 in ten years. I have done everything I could to increase the value of that section in its relation to the business of the Navy. Much of this correspondence is due to me, and due to the improvements I have made in the bureau.

Mr. BINGHAM. Then you prefer your increase of force to the increase of compensation in the existing force?

TRANSFERS OF CLERKS.

Admiral ROGERS. I unquestionably desire it, because I must have the increased force; but at the same time, General, unless the Committee is going to ignore that question entirely, the increase of force will not be as valuable to me as it might be. I have lost 45 per cent of my force in the last two years.

Mr. BINGHAM. Where do they go?

Admiral ROGERS. To the Department of Commerce and Labor and to the Department of Agriculture—the new Departments which are better paid than the old Navy Department, and many of them have gone to the Treasury. If the recommendations made by me and approved by the Secretary of the Navy—are approved in such a way that I can keep my men, the Government will be the gainer. I lost an \$1,800 clerk to the Department of Commerce and Labor, who went there and received \$1,600.

Mr. TAWNEY. How long had he been working in the Navy Department?

Admiral ROGERS. Ten years, about.

Mr. TAWNEY. Do you know what per cent of the 45 per cent of loss occurred two years ago, and what part of it occurred last year, before this law prohibiting transfers went into effect?

Admiral ROGERS. No, sir; I can not tell you.

Mr. BINGHAM. Are your protests entertained by the heads of Departments against transfers of these men, or do you protest when you make the transfer?

Admiral ROGERS. No, sir; I do not, because it is an unwritten law in the Government service that where a man can get promotion we must not stand in the way.

Mr. BINGHAM. The only obstacle is the statute which requires three years' service in the Department? Is that it?

Admiral ROGERS. Yes, sir.

Mr. TAWNEY. In addition to the correspondence, what other work is there in your bureau? What other work have you?

Admiral ROGERS. I provide all the food, money, and clothing for the service.

Mr. TAWNEY. You keep all the accounts?

Admiral ROGERS. Yes, I keep all the accounts.

Mr. TAWNEY. Accounts of purchases made for the Navy?

Admiral ROGERS. I keep absolutely all the accounts of the Naval Establishment, and I buy everything used in the Navy, except the battle ships, dry docks, and buildings.

Mr. BINGHAM. All appropriations and disbursements come through your office?

Admiral ROGERS. Absolutely.

Mr. BINGHAM. In other words, you do, Admiral, in your office what a quartermaster and commissary and other divisions do in the Army?

Admiral ROGERS. Yes; and they have in those three bureaus more than five times as many clerks as I have. My department is disbursing office and purchasing office for the entire naval service.

Mr. BINGHAM. Will you leave with us what you regard, in your grouping of papers there, as the essentials that will cover the few important points that we emphasize—the increase of pay, together with the increase of your force?

Admiral ROGERS. Can I send them to you?

Mr. BINGHAM. If you please, as quickly as you can.

CONTINGENT EXPENSES OF THE NAVY.

Admiral ROGERS. There is another matter that I would like to be questioned on, and that is contingent expenses of the Navy.

Mr. GILLETT. We went over that with Mr. Newberry.

Admiral ROGERS. That is on page 90; contingent expenses of the Navy Department.

Mr. COURTS. That is on page 211 of the bill.

Mr. GILLETT. Mr. Newberry gave us that.

Admiral ROGERS. That item of contingent expenses is distributed between the bureaus. All I wanted to point out, sir, was the fact that those big envelopes which are used for sending out these schedules and returning them are what makes me ask for that money, given here on page 90 of the estimates. Those envelopes cost about \$2,500 a year. It costs that just to buy those envelopes.

Mr. BRICK. Your estimate covers only about \$2,500 out of the \$10,000?

Admiral ROGERS. Yes. I wanted the other \$2,000 to put in labor-saving machinery, so that when this comes up next year I will not have to ask you for more clerks. This \$2,000 is only wanted in 1909.

Mr. GILLET. That is what Mr. Newberry told us.

Mr. TAWNEY. Leave that statement as to what you spent the money for last year with the stenographer.

Following is the memorandum filed by Admiral Rogers:

Supplies purchased under appropriation "Contingent Expenses, Navy Department, 1908," for the use of the Bureau of Supplies Accounts.

Req. No.	Articles or services.	Navy contract.	P. O. contract envelopes.	Misc. stationery.	Machines, desks, furniture, etc.
1	Services, etc. R. G. Dunn				\$175.00
2	Desk, \$48; chair, \$9.25				57.25
	Paper-cutting machine				25.00
	Cabinet and bulb for phonograph				8.15
	Bates numbering machines				149.94
3	Envelopes		\$715.55		
4	Pencil sharpeners			\$6.30	
	Typewriter, 20" carriage				108.00
	Electric fans				52.50
	Printing metal plates				30.00
5	Phonograph tube				1.75
	Street car tickets				15.00
6	Paper, pencils, ink, etc.	\$208.45			
7	Lumber				10.00
	Phonograph cylinders				14.40
8	Office stationery	41.60			
9	Water cooler, \$15.85				15.85
	3 chairs, \$6; fountain pen, \$4				10.00
10	Office stationery	12.64			
11	Moving Contract section				8.00
12	Wringer, copy press				13.25
	Standing desk				21.95
	Copy cloths, repairs typewriter, and index cards			31.90	
	Expressage				.50
13	Cases for contract section				383.65
14	Ice tongs, telephone receiver, holder, and rubber stamps			2.60	
15	Desk and two chairs				47.39
16	Envelopes		\$31.00		
17	Comptograph machines				636.00
	Wire and bells				2.23
18	Cases, contract section				86.35
19	Stamps				37.00
	Car tickets				15.00
20	(Canceled.)				
21	Office supplies			3.95	
22	Office stationery	41.54			
	Cylinder racks, \$2.00; blank cylinders, \$7.20; shaver blade, \$1.50				10.70
	Addressograph ink, \$1.75; oil, \$0.50				2.25
	Typewriter ribbon			.75	
	Desk				14.50
	Book-shelf cases, etc				89.90
23	T. W. Ribbons	9.60			
	Recaning chair				1.00
	Guide cards			12.00	
24	Oak cabinets, etc				608.00
25	Vertical 4-draw files				98.00
26	Office stationery & Supplies	78.45			
	Drayage				2.00
27	Office stationery & Supplies	11.64			
	Drayage				1.50
	Repairs, clock, \$2.00, file case, \$10.00				12.00
28	Office stationery & supplies	28.31			
	Envelopes		126.56		
	File lifter				1.75
29	Cuspidors, \$3.90, Guide cards, \$27.50, Phone- eze holder, \$5.00			36.40	
30	Press copy paper	38.50			
31	Office stationery & supplies	8.74			
	Two-draw file section				20.00
	Loose-leaf calendar			.50	
	Phonograph records				7.20
32	Office stationery & Supplies	24.25			
	Pencil-sharpener knives			.50	
33	Office stationery & Supplies	12.93			
	Car tickets				15.00
	Seals				2.60
		516.65	1,673.11	94.90	2,820.56

Totals:

Navy Department, contract, (stationery).....	\$516.65
Post-Office contract, envelopes.....	1,673.11
Miscellaneous stationery.....	94.90
Ice and washing towels.....	75.00
Abstract column four—	
Services Dunn & Bradstreet.....	\$175.00
Machines.....	866.30
Typewriters, ribbons, and repairs.....	130.64
Office furniture, chairs, desks, and repairs.....	148.00
File cabinets, etc.....	1,307.65
Car tickets.....	45.00
Stamps.....	37.00
Electric fans.....	52.50
Water cooler.....	15.35
Miscellaneous, items.....	65.08
	<hr/> 2,652.20
Total.....	5,211.66
Deduction on account of typewriter ribbons and repairs included in columns 1 and 3.....	31.64
Total obligations.....	<hr/> 5,180.22
Total allotment.....	6,000.00
Total obligations.....	<hr/> 5,180.00
Balance.....	<hr/> 820.00

BUREAU OF MEDICINE AND SURGERY.

STATEMENT OF SURGEON-GENERAL P. M. RIXEY, CHIEF OF BUREAU.

Mr. BINGHAM. General, you ask for one additional clerk?

Gen. RIXEY. The increase in the personnel of the service in the last 20 years has increased the demands upon the clerical force, and we have had some additions, but they have been in the lowest grades. It becomes necessary now to ask for this additional clerk. We want one additional clerk at \$1,800, so as to give some little promotion to the men who have been so long in the service. We should have some assistance there. Here is a little memorandum I have made in regard to that.

Mr. BINGHAM. You can file it with the stenographer.

Following is the memorandum filed by General Rixey:

The increase in the number of ships and in the personnel of the Navy and Marine Corps has largely augmented the work of the Bureau, while the increase in the number of the clerical force has been inadequate and has been limited to the lower grades. The character of the work performed requires for its proper execution thoughtful care and a knowledge of technical matters that may be acquired only by experience, and in comparison with the character of work performed elsewhere it seems just and proper to provide for the salary of \$1,800 in this Bureau. This would give a much needed additional clerk and advancement to clerks of the Bureau who have many years of faithful service to their credit, and to some who have had but one promotion in more than twenty years.

Very respectfully,

P. M. RIXEY,
Surgeon General, U. S. Navy.

BUREAU OF YARDS AND DOCKS.

STATEMENT OF REAR ADMIRAL R. C. HOLLYDAY, CHIEF OF BUREAU.

Admiral HOLLYDAY. My estimate is \$600 less than the expenditure last year.

Mr. BINGHAM. Do you ask for any increase of force?

INCREASE OF 1 CLERK OF CLASS 4.

Admiral HOLLYDAY. No; no increase of force. I dropped one man, and I dropped the pay of one man who works for the Bureau of Construction and Repair, whom we pay for, and one man who

works in the Library, that we pay for. I have dropped him, and I have estimated for one man who works in our bureau and is paid out of the Secretary's Office. That is one clerk dropped altogether; a draftsman and clerk at \$1,800.

Mr. BINGHAM. How do you fill their places?

Admiral HOLLYDAY. I can take care of the work. These other people whom we were paying for were working somewhere else. A man paid for out of the Secretary's Office we estimate for. The position of draftsman and clerk was a technical position, and I do not think it properly belongs in the clerical force, and therefore I dropped it. I have asked for an increase of one clerk of class four.

SERVICES OF SKILLED DRAFTSMEN, ETC.

Mr. BINGHAM. Now, on page 209 is the item for services of skilled draftsman, and so on.

Admiral HOLLYDAY. That does not call for an appropriation. It simply needs authority to raise the limit.

Mr. BINGHAM. It comes from Increase of the Navy?

Admiral HOLLYDAY. No, sir; plans and specifications. This committee does not appropriate the money, but it regulates the expenditure.

Mr. BINGHAM. The appropriation is made by the Naval bill?

Admiral HOLLYDAY. If the committee found it necessary under the present law to appropriate the money, we could not spend it.

Mr. BINGHAM. You want authority to spend ten thousand dollars additional?

Admiral HOLLYDAY. Yes, we want authority to spend ten thousand dollars more. If we do not need the money I will not spend it.

Mr. TAWNEY. Did you find in the current year that the limitation here of \$30,000 was too small?

Admiral HOLLYDAY. Yes; I find that my hands are tied. With the large amount of work that comes in I can not take on clerks to do it. I can not exceed \$30,000. We are taking on new work all the time. The Bureau of Medicine and Surgery has turned over to us all the public works under it, and we are taking the hospitals and building them and supervising all that work which before was done by architects, and they were paid large fees for it. I simply wanted authority to take on more men.

Mr. TAWNEY. You could expend the \$30,000 this year, and could expend more in the interest of the government if you were allowed to?

Admiral HOLLYDAY. Yes; very likely. I want to be in a position, when new work comes on, where I will be able to handle it. Now we are tied down by this limitation.

Mr. BRICK. Have you been embarrassed by that limitation?

Admiral HOLLYDAY. Yes, I have been embarrassed. There have been times this year when I have been embarrassed.

Mr. TAWNEY. What new work do you anticipate for next year that would justify the increase of this limitation and the expenditure under it?

Admiral HOLLYDAY. You see, all the public work in the navy-yards is done by this bureau. All the power plants operated by the different departments are now operated by the Bureau of Yards and Docks. We do all that work now, and we expect a very large increase of work.

Other work is coming up in the way of public work. I can not say to this Committee, and I do not say, that I will actually need \$40,000 in the next year; but I want that limitation raised, so that if I do need it I can spend the money and take on the clerks. If they were to multiply the work by ten and if war work came on, I could not do it.

Mr. BINGHAM. Has not your work this year been exceptionally great?

Admiral HOLLYDAY. No, I do not think that it has been.

Mr. TAWNEY. Has not the work increased very materially in your bureau on account of preparing the fleet for transfer from the Atlantic to the Pacific Ocean?

Admiral HOLLYDAY. Not at all.

Mr. BINGHAM. Your clerks are necessary, but the increases are questionable.

Admiral HOLLYDAY. The increases rest with the Committee. I think that they should be increased, but that rests with the Committee.

I have two letters and a statement here which I will submit, if you would like to have them in the hearing.

Mr. TAWNEY. Leave them with the stenographer, and they will be printed in connection with your hearing.

Following are the letters and statement referred to:

NAVY DEPARTMENT,
Washington, December 14, 1907.

SIR: Referring to this Department's letter No. 24690-45 of the 3rd instant, requesting that certain provisions be inserted in the estimates of this Department in connection with the legislative, executive and judicial appropriation bill for the fiscal year ending June 30, 1909, to enable the Secretary of the Navy to employ and pay out of the appropriations "Increase of the Navy" and "Public Works" for the service of such draftsmen and other technical service as may be required to carry into effect the various appropriations under the above mentioned titles, I have the honor to enclose herewith a copy of a letter from the Chief of the Bureau of Yards and Docks of this Department, recommending that the limit upon expenditures under the appropriation "Public Works" be changed from \$30,000.00 to \$40,000.00 for the fiscal year 1909. The Department approves the recommendation of the Chief of the Bureau of Yards and Docks for the reasons set forth in his letter and requests that the limit upon expenditures from the appropriation "Public Works" for the purposes mentioned for the fiscal year 1909, be increased in accordance therewith.

Very respectfully,

TRUMAN H. NEWBERRY,
Acting Secretary.

The CHAIRMAN OF THE COMMITTEE ON APPROPRIATIONS.
House of Representatives, Washington, D. C.

BUREAU OF YARDS AND DOCKS.
Washington, D. C., December 13, 1907.

SIR: The Bureau has the honor to invite attention to the following provisions of the legislative, executive, and judicial act for the current fiscal year:

"The services of skilled draftsmen and such other technical services as the Secretary of the Navy may deem necessary may be employed only in the Bureau of Yards and Docks to carry into effect the various appropriations for "public works" to be paid from such appropriations: *Provided*, That the expenditures on this account for the fiscal year nineteen hundred and eight shall not exceed thirty thousand dollars; a statement of the persons employed hereunder, their duties, and the compensation paid to each shall be made to Congress each year in the annual estimates."

2. The Bureau has been greatly handicapped during the current year by the limitation on the expenditures for the services of skilled draftsmen and other technical assistants at the Bureau, to \$30,000.00. The amount authorized has proven inade-

quate to secure the services of the necessary technical assistants to properly design and work out the details of plans and specifications for the various public works authorized by Congress. The number of employees required is governed wholly by the amounts appropriated for Public Works, and hence the limit should be high enough to meet the highest probable limit of appropriations. It should also be high enough to meet conditions under any possible emergency, such as war, earthquake, conflagration, etc., requiring the immediate execution of engineering work.

3. As the employment of each particular person must be authorized specially by the Secretary, the danger of employing unnecessary services is effectively guarded against.

4. The Bureau has the honor, therefore, to recommend that Congress be asked to change the limit upon expenditures from \$30,000.00 to \$40,000.00 for the fiscal year 1909.

Very respectfully,

(Signed)

R. C. HOLLYDAY.

Chief of Bureau.

The SECRETARY OF THE NAVY.

LEGISLATIVE, EXECUTIVE AND JUDICIAL ESTIMATES.

Bureau Salaries.

Chief Clerk. Increase from \$2000 to \$2500.

Wm. M. Smith. Original appointment June 1, 1892, \$720. Chief Clerk since December 1898.

• Performs duties of Chief Clerk. Acting Chief of Bureau during absence of Chief of Bureau. (Member of District of Columbia Bar). Extensive knowledge of Departmental decisions and precedents. General knowledge of engineering subjects. See annual report of Bureau page 88.

Draftsman and Clerk at \$1800.00, dropped.

This position has been appropriated for for a great many years. It has always been held by a technical man. It is believed it should be dropped from the Legislative, Executive and Judicial bill and the incumbent paid from the lump sum appropriation used for the pay of other technical employes as authorized by law.

1 Clerk of Class 4 (in lieu of Clerk of Class 3). Increase from \$1600 to \$1800.

Thomas J. Lasier. Original appointment in Bureau March 13, 1899. Previous service at Port Royal Naval Station and in Navy Department.

Financial clerk in charge of Bureau accounts of appropriations and allotments. Record excellent.

1 Clerk of Class 3 (in lieu of Clerk of Class 2). Increase from \$1400 to \$1600.

Henry L. Thomas. Original appointment March 5, 1900. Stenographer and typewriter. Graduate at Law. Stenographer to Chief of Bureau and general duty. Record excellent.

1 Clerk of Class 2 (in lieu of Clerk of Class 1). Increase from \$1200 to \$1400.

Louis Molnar. Original appointment November 30, 1900. Stenographer and typewriter to officer in charge of drafting force. Record excellent.

1 Clerk of Class 2, dropped.

M. S. Thompson, employed in Office of Library and War Records, but carried on Bureau rolls. To be dropped from Bureau rolls and appropriated for under another head.

1 Clerk of Class 1 (in lieu of Clerk at \$1100.00). Increase from \$1100 to \$1200.

Miss A. B. Patten. Original appointment April 23, 1898. In charge of indexing correspondence, using card system. Record excellent.

2 Clerks of Class 1 (in lieu of 2 Clerks at \$1000). Increase from \$1000 to \$1200.

John T. Byrne and C. A. Denman. Original appointments June 1, 1905, and June 25, 1906. Stenographers and typewriters and general clerical work. Records excellent.

1 Clerk at \$1,000, new.

W. L. Vetter. Now employed in the Bureau but carried on the rolls of the Secretary's office at \$1,000. Clerk in charge of furniture records, contract vouchers, etc. Assistant to financial clerk. Record excellent.

1 Laborer at \$660, new.

F. E. Hickman. Now employed in Bureau but carried on rolls of Office of Naval Intelligence at \$660.

1 Assistant Messenger at \$720, dropped.

Mr. Burgess. Now employed in Bureau of Construction and Repair.

Positions not changed.

3 Clerks at \$1,000.

Miss A. Morrisroe, appointed June 19, 1907.

Mr. J. W. Camp, appointed July 15, 1907.

Mr. R. F. O'Donoghue, appointed August 22, 1905.

Stenographers and typewriters and general clerical work.

1 Laborer at \$660.

P. S. Jefferson. Laborer at Annex. Appointed October 23, 1907.

3 Messenger boys at \$600.

C. S. DeFuy, appointed July 18, 1907.

H. W. Cook, appointed November 6, 1902.

D. P. Scott, appointed November 1, 1907.

Technical force.

Employment authorized by Act of February 26, 1907, (34 Statutes at Large, page 972). Limit on expenditures \$30,000. For report of persons employed last year see page 89 of Book of Estimates.

PLANS AND SPECIFICATIONS REQUIRED BY SECTION 3663, REVISED STATUTES, AND
PLANS AND SPECIFICATIONS FOR PUBLIC WORKS.

The estimate submitted is for the purpose of providing a fund for the pay of draftsmen and others engaged in the preparation of plans and specifications for public works for which appropriations are available, and plans and estimates required by section 3663, Revised Statutes, and for the purchase of the necessary materials.

The estimate is for an increase of \$10,000 over the amount of the appropriation for the current fiscal year. The amount appropriated, \$30,000, is much too small to enable the Bureau to carry out the provisions of the law and give proper attention to the plans and specifications for public works coming before the Bureau for checkage and approval. The Bureau's inability to employ a sufficient number of high-class technical assistants to properly and economically handle the work places it at a serious disadvantage and does not allow proper attention to be given to the work.

BUREAU OF SUPPLIES AND ACCOUNTS (AGAIN).

NAVY DEPARTMENT,
BUREAU OF SUPPLIES AND ACCOUNTS,
Washington, D. C., January 29, 1908.

DEAR GENERAL BINGHAM: I beg to enclose a written statement, as requested by you, concerning the necessities of the Bureau of Supplies & Accounts in the matter of clerks and in increased pay therefor, and I would ask you if you will kindly have the same printed as part of my hearing on the 25th inst.

Sincerely yours,

E. B. ROGERS,
Paymaster General, U. S. N.

General H. H. BINGHAM,
House of Representatives,
Washington, D. C.

NAVY DEPARTMENT,
BUREAU OF SUPPLIES AND ACCOUNTS,
Washington, D. C., January 25, 1908.

MEMORANDUM FOR THE COMMITTEE ON APPROPRIATIONS, HOUSE OF
REPRESENTATIVES.

Consideration of the Legislative Appropriation Bill.

The following extract from the letter of the Paymaster General to the Secretary of the Navy, dated September 6, 1907, on the question of increase of clerks in the Bureau of Supplies & Accounts, is submitted:

CLERKS, BUREAU OF SUPPLIES AND ACCOUNTS.

2. I beg to point out to the Department that the work of the Bureau of Supplies & Accounts, aside from paying, feeding, and clothing the Navy, is, in a manner peculiar to itself, a reflex of the navy's activities. Other bureaus are, to a great extent, affected only by an increase coming under the individual cognizance of each, but the work of any one of these or of the Secretary's office cannot be augmented without its effect being felt in this Bureau. Therefore, as the naval establishment grows, no matter where or how remote is the increase, its result upon this Bureau is logical and immediate.

3. The progressive increase of the Bureau's clerical force from time to time has never been commensurate with its demands, and it has been found absolutely necessary to devise short cuts. Its work is reduced to a degree of refinement almost dangerous; by the elimination of every feature possible to be dispensed with, by systemization to the limit of practicability, by long hours of overtime on the part of many clerks and by the consequent imposition of excessive strain upon all to accomplish at all the work confided to it, and then only with vexatious delays, fruitful of errors—one of the products of haste and working under pressure.

4. The condition outlined above exists when the full force of the Bureau is present and the condition is aggravated and becomes still more harassing during the summer season by reason of the annual leaves of absence, which amounts to a reduction of quite 15% of the energies of the Bureau during that time. The Paymaster General has been here long enough and has sufficiently acquainted himself with his work to be sure of the existence of the condition he describes, and he can only say to the Department that it is a very serious one and cannot be pictured in colors too strong for its real meaning to be appreciated, and, if work is given him to do, he must be supplied with the means for its realization. It has been necessary during the year several times to call upon officers of the Pay Corps to help out in the labor, which could not have been accomplished without their assistance.

5. The present civilian force of the Bureau numbers

76 clerks of all classes

10 messenger boys, assistant messengers and laborers

86 total.

In view of the foregoing, it is most urgently requested that the recommendation for the following clerks be approved, and that the Bureau be permitted to add to its estimate for the fiscal year 1909, under "Salaries, Bureau of Supplies & Accounts," the following places in addition to those provided for during the current fiscal year:

2 clerks, class 4 at \$1800.....	3600
2 clerks, class 3 at 1600.....	3200
2 clerks, class 2 at 1400.....	2800
1 messenger at 840.....	840
1 assistant messenger 720.....	720
Total	11160

6. The clerks are needed, as follows:

In financial section.....	3 clerks
In bookkeeping section.....	1 clerk

When the present Paymaster General took charge of the Bureau of Supplies & Accounts, his first inquiries—from every possible source of information—were as to the reality and urgency of the demand that the system of accounting of the books of the Naval Establishment be so arranged as to show separate costs of sub-heads of appropriations. He was fully convinced of its necessity, and on July 1st a new and fairly complete system of bookkeeping was established with this end in view. That this was seemingly beyond the capacities of the Bureau did not deter him—in some way the work will be done during the present fiscal year—but to keep these accounts with the necessary accuracy and, *above all*, up to date, the moderate increase above requested is asked for.

7. In contract section-----2 clerks.

For many years this Bureau has considered the establishment of a mailing-list—a list of dealers and concerns divided by trades and geographically to whom are sent the schedules of the supplies for which the Bureau is advertising, but the scheme has always been negatived as impracticable. Its importance was so apparent that its inauguration was deemed imperative, and the services of one clerk were taken from an already over-burdened section to do the work. The result has been astonishing. The scheme has received the unqualified praise of manufacturers and merchants in every line of trade. Since its establishment, the number of bids, as compared with a like period in 1906, increased from nine to fifteen thousand; the number of firms bidding from 1700 to 2800, and the bids per class increased (approximately) 100%; and these figures are still on the increase. One clerk is needed, therefore, to replace the one who keeps this list in operation and another one to handle the work entailed by its establishment.

8. In the file room-----1 clerk (copist).
1 messenger.
1 assistant messenger.

The increased work of the Bureau, and especially the augmented correspondence growing out of the conditions described in the previous paragraph, require the services of an additional clerk and two messengers in the file-room.

1 clerk (stenographer).

This clerk is needed for the personal work of the Paymaster General, not as a private secretary, but because he does in person much work that his predecessors left to subordinates, and he has found during the year that his demands for stenographic work have made serious inroads on routine of the various sections whose shorthand writers he has been compelled to levy on without regard to their necessities.

9. In addition to the above, the Bureau earnestly requests the following:

(a) That the pay of the hard-working chief clerk of the Bureau be increased from \$2000 to \$2500 per annum.

(b) That the Bureau be allowed two chief bookkeepers at \$2100 per annum each.

10. With regard to (a): In recommending this increase it seems only necessary to point out that the Bureau of Supplies & Accounts is the largest in the Navy Department, that the work of the chief clerk is enormous, of the most exacting character, mentally and physically, and that even \$2500 a year is all too small for the clerk who is found worthy of occupying the position of the chief clerk for this Bureau.

11. Concerning (b): It is urged that the books of the Naval Establishment require accountants of the highest order of ability. The Bureau is fortunate in possessing two such men now paid \$1800 annually, and in view of the serious losses it has experienced (as it has lost by transfer to other and better paid departments several of its very best men during this year), it is considered vital to retain the services of these clerks—hence this recommendation.

12. The total increase recommended is, therefore,

Clerks and messengers (paragraph 5 above)-----	\$11160. 00
Increase of pay of chief clerk from \$2000 to \$2500-----	500. 00
Two chief bookkeepers at \$2100-----	4200. 00

Total-----. 15860. 00

13. Before closing the subject the Bureau wishes to state that it challenges comparison between the size and average pay of its clerical force and that employed to perform similar functions in the various bureaus of the War Depart-

ment. It will be found that in proportion to the work the Bureau of Supplies & Accounts has to perform, it is the lowest in number and its average pay is less than that of any of the offices mentioned, and when it is remembered that the whole naval appropriation passes through its books, is divided and subdivided and accounted for, and that it handles the entire stores for the navy; the undersigned has no hesitancy in confidently asserting that investigation will show that the volume of work it annually accomplishes is far out of proportion to the unit of labor usually demanded of the hard-worked government clerk.

The above increase of clerks is not asked for with the expectation of being cut down. It is an absolutely truthful statement of the necessities of the Bureau cut to the minimum, and the undersigned has no hesitation in stating that the work of the Bureau under his direction can not be carried on under its present circumstances without serious embarrassment to the Government and the public business.

The following memorandum was submitted to the Secretary of the Navy, and shows the loss of clerical force in the Bureau in two years:

NOVEMBER 13, 1907.

MEMORANDUM FOR THE SECRETARY OF THE NAVY.

In response to your verbal request of the 12th instant, there is stated below details relating to losses to this Bureau's clerical force during the calendar years 1906 and 1907 (fractional):

Clerical Force, 1906	74
Clerical Force, 1907	76
Average for percentage purposes	75

Losses by—	Num-ber.	Per-cent- age.
Death	1	1 1/2
Discharge	1	1 1/2
Resignation to enter commercial lines	12	16
Transfer to other Government Departments	16	21 1/2
Detail of retired officer to active duty	1	1 1/2
Total losses	31	
Percentage		41 1/2

Salaries involved: 1 at \$400, 1 at \$600, 1 at \$840, 12 at \$900, 7 at \$1,000, 4 at \$1,100, 3 at \$1,200, 1 at \$1,600, 1 at \$1,800; total, 31.

These losses have included at least nineteen persons, who were above the average in ability—many of them very much so—and whose services could have been retained had it been possible to offer them prospects even approximating those elsewhere offered.

MEMORANDUM FOR THE SECRETARY OF THE NAVY—Continued.

JANUARY 11, 1908.

Transfers and losses since foregoing was made up:

By transfer to other Departments	2
By resignation to enter commercial lines	1
	3
Total losses	34
Percentage	45 1/2

The transfers to other government departments were clerks who had been more than three years in the Bureau of Supplies & Accounts, and were transferred mostly to the Departments of Agriculture and Commerce & Labor, where the salaries were higher, promotion more rapid and work less.

This shows a condition of affairs that is intolerable and under which it is impossible to conduct a proper business, and it should be made worth while for these clerks to remain in the Bureau of Supplies & Accounts and earn their promotions there. There is one way to accomplish this—by increasing their salaries.

In average salary, the Bureau of Supplies & Accounts is now 14th from the bottom of the list of all the government bureaus and offices in the City of Washington, numbering 120. Out of the 19 Navy Department bureaus and offices, it is No. 17. In submitting the following comparative statement to the Secretary of the Navy:

Comparative statement showing proposed readjustment of Salaries, Bureau of Supplies and Accounts, Navy Department.

As in present fiscal year, 1908.				Proposed readjustment as per book of estimates.			
Grade.	No.	Pay.	Total.	Grade.	No.	Pay.	Total.
Chief clerk	1	\$2,000	\$2,000	Chief clerk	1	\$2,500	\$2,500
Clerks, class 4.	4	1,800	7,200	Chief bookkeepers.	2	2,100	4,200
Clerks, class 3.	6	1,600	9,600	Clerks, class 4.	7	1,800	12,600
Clerks, class 2.	4	1,400	5,600	Clerks, class 3.	11	1,600	17,600
Clerks, class 1.	16	1,200	19,200	Clerks, class 2.	11	1,400	15,400
Clerks	8	1,100	8,800	Clerks, class 1.	12	1,200	14,400
Clerks	24	1,000	24,000	Clerks	13	1,100	14,300
Copyists	11	900	9,900	Clerks	13	1,000	13,000
Copyists	2	840	1,680	Copyists	13	900	11,700
	76	1,157	87,980		83	1,273	105,700

Present status 1908..... 87,980
 Increase in estimate for 1909 over 1908..... 17,720

Amount appropriated for clerks (76)..... 87,980
 Amount appropriated for messengers (9)..... 5,100

Total 93,080

Amount estimated for clerks (83)..... 105,700
 Amount estimated for messengers (11)..... 6,000

Total 112,300

the, undersigned stated:

2. The slow promotion in the several arms of the military service have been at times caused by the undue loading up of the lower grades. This is particularly true of the Army, and especially of the artillery, where it was shown that promotion was seriously retarded by the large number of first and second lieutenants. What is true in the case cited is equally true in the civil service, and a good example of it is to be seen in the Department under your direction, where 60% of the clerks in the Bureau of Supplies and Accounts are paid from \$840 to \$1,100 and 80% receive \$1,200 or less, and clerks must enter these lower grades. The result is utter discouragement, constant unrest and ever present searching for a position in some other department where a clerk can better himself, and the loss, during this present year, of 12 clerks from this Bureau, among which are seven of the very best we had—10 of whom have been transferred to other departments of the Government where they are better paid, and two have accepted better positions in commercial lines. All this is due to the stagnation occurring by this large percentage of low paid men. A clerk at from \$900 to \$1,100 is amply paid on first entrance into the Government service, but he should have ahead of him the encouragement of a much more rapid promotion than is now possible, and, after he has proven his full value, he has a right to look forward to a raise, which he at present can not get, due to this reason.

3. There is only one remedy for this condition—to make more or less even the numbers in each class, and this can be done without any large increase in the higher grades. The Bureau, therefore, proposes to the Department to remedy this condition in the manner described, and forwards herewith a statement

showing what it believes is necessary to accomplish this result, and for which it hopes the favorable consideration of the Department.

The Paymaster General deems it will be for the best interest of the service if these promotions as proposed, and distribution of classes by pay, as in the right hand column above, can be made, as it will effectually settle all questions of promotion and the increase required is comparatively small.

If the Committee is not inclined to increase the pay of the Chief Clerk by \$2,500, as has been asked, it is believed, by all the Bureaus of the Navy Department, the following is suggested, taken from the Legislative Act of February 25, 1903:

SALARIES, BUREAU OF SUPPLIES AND ACCOUNTS, 1904.

For a civilian assistant, who shall perform the duties of a chief clerk, and in case of the death, resignation, sickness, or absence of both the Paymaster General of the Navy and his Assistant, now provided for by law, unless otherwise directed by the President, as provided by Section 179, Revised Statutes, such Civilian Assistant shall become the Acting Chief of Bureau, \$2,500.00.

I beg to submit the following comparison between 1897 and 1907. In the former year there were 46 clerks; in the present year there are 76. The increase is, therefore, 65 per cent. The increase in work, however, is from 800 to 1000 per cent, as is shown by the following comparative table:

	1897.	1907.
Naval ships.....	73	184
Tons of displacement.....	203,253	966,067
Pay Officers of the Pay Corps, U. S. Navy.....	95	301
In the Bureau of Supplies and Accounts the following increases are shown:		
Number of pieces of incoming mail.....	297,206	1,142,573
Number of other official papers sent out.....	124,530	1,196,291
Amount appropriated for the Navy.....	\$38,680,563.65	\$104,588,904.88
Number of appropriation titles.....	162	1,008
Number of sales by transfers between bureaus.....	176	12,662
Value of the same.....	\$45,415.33	\$2,756,243.34
Requisitions advertised.....	259	3,381
Classes advertised.....	1,185	9,735
Number of firms bidding.....	1,375	11,657
Bids received.....	5,284	39,361
Bureau contracts executed.....	790	5,775
Navy Pay Office contracts.....	0	6,974
Schedules prepared.....	135	958
Copies of schedules distributed.....	67,500	802,900
Shipment orders.....	2,700	8,500
Total value of contracts.....	\$1,046,604.35	\$15,896,532.66

SUMMARY.

Showing clerical force employed in the Bureau of Supplies and Accounts during the fiscal year 1904, and the number estimated for, approved by the Department and appropriated for by Congress during the fiscal years 1905, 1906, 1907 and 1908.

	1904.	1905.	1906.	1907.	1908.	1909.
Clerks estimated for by the Bureau.....		77	79	80	82	83
Approved by the Department.....		74	77	74	79	88
Appropriated for by Congress.....		74	74	74	76	-----
Actual number employed after adding and deducting details from and to other Bureaus.....	65	72	74	74	75	-----

E. B. ROGERS,
Paymaster General, U. S. N.

SATURDAY, *January 25, 1908.*

DEPARTMENT OF THE INTERIOR.

STATEMENT OF HON. JAMES R. GARFIELD, SECRETARY OF THE
INTERIOR.

Mr. BINGHAM. Mr. Secretary, we are all familiar with the very marked change, so far as the book exhibits, that has been made in your Department. I think, gentlemen, that for the sake of expedition we had better hear the Secretary on his general lines, from his own standpoint, as to the changes he has made and the necessities therefor. You depend upon your bureau chiefs to make statements as to details?

Secretary GARFIELD. I know most of the details myself, but I want the chiefs here when we take those matters up.

Mr. BRICK. I would suggest, Mr. Secretary, that it would be of value if you would explain your work to the Committee as you outlined it to me personally a few moments ago.

Secretary GARFIELD. Very well. I found the Interior Department organization in general of this character: That as between the great bureaus and the Secretary's office, there had grown up a system of divisional arrangement; that each of the great offices, such as the Geological Survey, the Indian Office, the Land Office, and the Patent Office, had special divisions under the Secretary's office that were charged with the review and revision of the work that came from these bureaus and offices to the Secretary, and that before the Secretary acted on any of the recommendations or the ordinary routine business from these bureaus, the work was transmitted to these divisions and the chief of a division would review and re-examine the entire report coming from that office or bureau, and prepare then for the Secretary's action either such letter or such report as he believed to be necessary.

The result of that divisional arrangement was this: That the report on any important matter coming from the Land Office, for example, would be reviewed by the Land and Railroad Division of the Secretary's office, or by the Assistant Attorney General, or by the Indian Division if it had to do with the allotment of Indian lands or with the distribution of them; that it would there be held from one day to many days and a complete record made of that work and re-examination made by men who had absolutely no knowledge of the conditions that existed, of the facts that were being reviewed or of the field conditions, if it happened to be a report from one of the local land offices. As a result of that kind of divisional arrangement, there has been built up in the Interior Department an enormous amount of work and a tremendous quantity of files, each one of these divisions having its own organization of files and mails, and a great accumulation of business as between these divisions and the big offices and as between the divisions themselves. Of course it was a very expensive way of conducting business, for the reason that this method of examination and review from the business offices really added nothing whatever to the information, because it was all paper information.

Mr. BINGHAM. Reduplication?

Secretary GARFIELD. Yes. If it was a land appeal case, they would simply re-examine the opinion of the General Land Office, search the

decisions, and determine whether they agreed with that opinion. If it was a question that came from the Indian Office, involving the expenditure of appropriations out in the field divisions, the work in the Indian Division would be simply to examine the records and find out what had been spent before, how much was being spent this year, and mull over this report, sometimes without making any recommendation, but sometimes with some little modification, and then a re-writing of the entire report and sending it to the Secretary. The Secretary would then send it back to this division with his directions. That would be rewritten and transmitted to the appropriate office.

For some time before going to the Department I had been studying this situation, knowing that I was going to the Interior Department, and I determined that all of that work was entirely unnecessary. It added nothing whatever to the security of government work, in the safety of appropriations or in the efficiency of the work committed to these various offices. I therefore abolished all divisions, with the exception of the division of accounts, division of supplies, and the division of mails and files. I consolidated all the mails and files from the different divisions into the one division of mails and files. The only divisional work left, outside of mails and files supplies and disbursements, was that work which formerly had been done by the patents and miscellaneous divisions, and the care of such work as reports from various institutions under the jurisdiction of the Department, such as the insane asylum, Freedman's Hospital and matters of that kind. There was not work enough left over to warrant the continuance of a division and I simply placed it under the jurisdiction of the chief clerk.

The immediate effect of this wiping out of the divisional arrangement was that it threw back upon the Bureau, as I believed it properly should be thrown back, the entire work on the bureau which originated the work and which was responsible for its proper disposition. Under the present arrangement the matters coming from each Bureau are fully prepared before they leave that office.

Mr. BINGHAM. When did you establish this reorganization?

Secretary GARFIELD. Within a month after I became Secretary, the 4th of March.

For example, work now comes from the Indian Office. Every detail of that work, whatever it may be, is carried on in the appropriate division of the Indian Office and receives the approval of the Commissioner and comes directly from the Commissioner to me without any intermediate action on the part of the divisional officer, and I hold the head of the office directly responsible for all the work he forwards to me. I found in the many references made through the divisions an almost infinitesimal percent resulted in any different action in the bureau from that recommended by the officer. That simply meant delay.

I transferred all the clerks who were employed in the divisions to those offices and bureaus and divisions that were in arrears, for the purpose of bringing the work in those offices as far as possible up to date and making it current. I have kept those various employes throughout the Department wherever they were needed to bring this work up to date. The immediate effect of that change in the organization of the Department has been that it has established a freer relationship between the bureaus and the Secretary. If the Com-

missioner of the Land Office has any matter, he comes of course directly to me, he does not have to transmit anything through a division officer who has not the information that of course the Commissioner of the Land Office has about it, and it has caused a very great expedition in the transaction of business.

The consolidation of mails and files has resulted in having all the correspondence of the Department handled within three days. If there is a failure to respond to a letter within three days a note of it is immediately made and the person responsible for the answer to the letter is called upon for an explanation. It has done away with all the unnecessary correspondence between the Department and the bureaus.

I found that in working out the old system they were copying in long hand in books all the letters sent by the Department of the Interior, and that there were people engaged copying letters sent two years before, simply piling up the records. I have discontinued that work and there is but one copy of every letter kept, which is in the general file and that is a file in the Secretary's Office, cared for under the most modern system of flat filing, where all the papers in each case are brought together and instantly we can find all the papers relating to one subject. This modern system of filing is established in each one of the bureaus, so that there is uniformity both of indexing and of handling the files, and the order relative to correspondence and files which obtains in the Department also obtains in each one of those bureaus, and the correspondence is supposed to be kept up in the bureaus the same way that it is in the Department, and by a system of reports and follow-checks it is an easy matter for the head of each office to know whether the correspondence is up to date.

SECRETARY'S OFFICE—REARRANGEMENT OF WORK.

The further rearrangement in the Secretary's Office was this: The assistant secretaries had been used theretofore for special work, that is, the Assistant Secretary, Mr. Wilson, was devoting almost his entire time to pensions and patents, and Mr. Ryan, his work was of a general character, and he divided with the Secretary such work as they might agree upon. I found that by a redistribution of the work between the Secretary and the two Assistants it was possible to very much more expeditiously handle the entire volume which necessarily under the law comes to the Secretary's desk, by using Mr. Wilson and now Mr. Pierce, who has Mr. Ryan's place, exactly as secretaries. In other words, not making any difference between the character of work which each had, but requiring that each should become familiar with all the work of the Department, we have recently adopted a division of work, but each knows the entire departmental work, so that if one is absent the other takes it up immediately and carries it on without delay. Under the old system where the work of the Assistant Secretaries were segregated, if a man happened to be away, that work might be delayed until he returned. By this redivision among the Secretary and the two Assistants everything now is handled expeditiously.

Mr. BINGHAM. What goes to the Assistant Secretaries, is that conclusive, or does it go to you?

Secretary GARFIELD. It is conclusive, the same as if it came to me. The only matters that are sent to the Secretary from the offices of the Assistants are those matters which involve general policies, which involve any action required by law that the Secretary himself must take, or involve the question of personnel of the Department in the higher offices, and of course all correspondence with the President, the heads of the other departments, and with Congress, or with the Members of either body of Congress. All matters affecting recommendations for legislation come to my desk with the initial or recommendation of one of the Assistant Secretaries, in order that I may have the opportunity of knowing what is sent to Congress, or what is suggested to Congress in the way of legislation or report.

In order, then, to bring the Department more closely connected, to make it more compact, I have frequent meetings with the heads of all the bureaus, the Assistant Attorney General and the Assistant Secretaries. We go over in detail at these meetings the work in the different offices and bureaus, find out what condition it is in and the relationship of the work in each bureau or office to allied work in other offices. I found that necessary for this reason: The Land, the Indian, and the Reclamation Service are all very closely connected, but under the old system there was no real interrelation between the offices. There was too often friction and there was a chain of correspondence going back and forth through the Secretary's Office in matters which these heads of bureaus ought to take up personally. By bringing them together in these meetings I have let each understand what the work of the other is, how it affected his own work, and in all matters where two or more bureaus are interested I require the heads of those bureaus to work out the problems together, not to build up reports and correspondence, but to work together and to report to me their results or their recommendations as the case may be. I require that there shall be a constant interchange by informal conference between these offices that are doing similar or allied work.

Mr. TAWNEY. Are those reports made to you in writing?

Secretary GARFIELD. If they are matters that require a formal action most of them are in writing. There are very often conferences that result only in action being taken in an informal way.

Then I have used the employees, such as the chief clerk and the head of the appointment division and the head of the disbursing division, at various times as a committee to examine into the mechanical devices used throughout the Department and the bureaus and in the business methods to the end that I could very easily determine how the actual physical business was being carried on in the different offices. Upon the basis of the first examinations made I found that there was a very great difference in the methods used and a very wide divergence in the systems employed for the conduct of the departmental business. From the experience I had had on the inter-departmental committee, ordinarily known as the Keep Commission, where we had gone very fully into the business end of government work, I was confident that we could derive a great deal of benefit if we could employ expert accountants, expert business men from the outside, to examine the public business in the Interior Department and give me a report as to what they thought could be done to remedy it or improve it.

Mr. BINGHAM. The Keep Commission did not extend to your Department?

Secretary GARFIELD. Yes, sir.

Mr. BINGHAM. It covered all the departments?

Secretary GARFIELD. It covered the Secretary's office in all the departments, but did not cover all the bureaus in each department. It took up typical bureaus or offices in each department.

Mr. BINGHAM. Has that been applied to your Department?

Secretary GARFIELD. Yes, sir.

Mr. BINGHAM. To the Secretary's Office?

Secretary GARFIELD. Yes, sir. Each Secretary has done as he pleased with their recommendations; they have not all pursued the same policy.

OUTSIDE EXPERTS EMPLOYED.

I employed the firm of Gunn, Richards & Company, of New York, had members of the firm and their employees appointed and paid out of the appropriation which Congress had given to my predecessor for the employment of special agents, the sum of \$10,000 that had not been used.

Mr. GILLET. How could you employ that fund for this purpose?

Secretary GARFIELD. The appropriation read that special agents for special examinations could be appointed and their traveling expenses paid.

Mr. BURLESON. Did you know what the purpose of that special appropriation was?

Secretary GARFIELD. I only knew from hearsay.

Mr. BURLESON. You never read the hearings before the Committee?

Secretary GARFIELD. No, sir.

Mr. BURLESON. Or the proceedings of Congress?

Secretary GARFIELD. I understood it was for the purpose of employing detectives originally.

Mr. BURLESON. The reason I speak with so much feeling is that I supported it and we had quite a controversy about it. The Secretary of the Interior declared that it would be used to ferret out violations of laws relating to our public lands.

Secretary GARFIELD. I took up the wording of the appropriation with the Treasury officials and found it was available for investigations and examinations of this kind, and therefore I took the responsibility of so using it, believing that an investigation of this character would result in very great financial gain in the administration of the Department.

Mr. BURLESON. How much was used for this purpose?

Secretary GARFIELD. All of it. There had been none of it used when I became Secretary.

Mr. BURLESON. Did you employ the firm of Gunn, Richards & Co. and pay them \$10,000?

Secretary GARFIELD. We paid them \$9,500 out of that fund.

Mr. LIVINGSTON. What results have you secured?

Secretary GARFIELD. I am coming to that right away.

I employed these men as special agents and they examined in detail all of the bureaus of the Department in Washington. I then appointed three of them as special inspectors under the general appropriation and have sent them through the west examining the business

methods of the Pension offices, of the Indian offices, of the Land offices, and of the Reclamation Service and Geological Survey. As a result they made me from time to time very complete and detailed reports of exactly what they found, with recommendations for the rearrangement of business and redistribution of business and the use of more modern business methods. Many of the changes I have made in the business of the Department have been made as a result of the recommendations made by those persons, and while it is impossible of course at this time to give you a definite figure in dollars and cents of the amount of money that will ultimately be saved to the government by the changes that have been and that will be made, the estimates now show that it will run somewhere between \$300,000 and \$500,000 a year.

Mr. BURLISON. Are your estimates this year \$500,000 less than the amount of the appropriation last year?

Secretary GARFIELD. No, sir; in the ultimate saving, in the general administration of the Department.

Mr. LIVINGSTON. In what bureau or division of the Interior Department does that saving largely come from?

Secretary GARFIELD. It spreads through the entire Department. The greatest gain will be in the Pension Office, in the Land Office and in the Secretary's Office alone from the rearrangement of this divisional work. There will also be a large saving in the Indian Office. We are still at work on that, and I do not know how much will be ultimately worked out, and, perhaps, I ought not to say it will be from three to five hundred thousand dollars. I may be wrong in that. If the present arrangements are carried out there will be that ultimate saving over what was the condition when I took hold of the Department.

Mr. BINGHAM. Annually?

Secretary GARFIELD. Yes, sir. A very large amount of that will be in the Pension Office, if the recommendation regarding the consolidation of agencies is followed. That, of course, is not a matter that Gunn, Richards & Co. would be responsible for, because this matter had been before Congress previously, but with their recommendation for the internal administration and handling of the pension business a saving running to \$75,000 is estimated.

Mr. GILLET. What kind of a recommendation do you mean they made? I would like to understand it.

Secretary GARFIELD. For instance, the particular recommendation they made, taking the accounting alone, was the cutting out of the duplication of records, the reassembling of all the various records and files in the Pension Office, redistributing them, putting them on a uniform basis, and cutting off hundreds and hundreds of entries, so that instead of making many entries they have reduced the forms to comparatively few.

Mr. GILLET. Has that recommendation been adopted?

Secretary GARFIELD. Not yet. We are at work perfecting the plan.

In the Indian Office the question came up of handling their accounting division. Instead of duplicating work from division to division, we are putting in plans of having simplified vouchers, of having all the entries made, for example, on one voucher instead of in a number of books.

In the Land Office by reducing the number of forms and making one form do what three or four or five forms had done hitherto. In the Land Office, in the matter of patents, of introducing the type-writing machine instead of writing the patents out in long hand.

Mr. GILLETT. You hardly needed special agents to do that?

Secretary GARFIELD. Not at all. While Congress had recommended it in its previous legislation the heads of the various divisions and offices and the Secretary had never had these points brought before them in a concrete fashion, as to telling them how and where these things could be done. Theoretically, yes; every one of those things might be found out, but each person engaged on his own personal job did not take up the particular things of the kind indicated by this firm. They are men similar to those who have been employed by the Treasury Department. First, under the Dockery law, they employed Haskins & Sells, and since then there has been some other firm, I do not know what it was, who made similar recommendations. The Keep Commission employed men who made recommendations for the Treasury regarding certain forms of keeping accounts, all of which when once presented, seemed perfectly simple and equally apparent, but not previously adopted.

Mr. BURLESON. Did you employ experts?

Secretary GARFIELD. Yes, sir. Congress gave us an appropriation of \$5,000 or \$10,000, I have forgotten which. Their traveling expenses were paid.

ADOPTION OF RECOMMENDATIONS.

Mr. BURLESON. Have you adopted any recommendation made by Gunn, Richards & Co. that will effect a saving equal to the amount paid them?

Secretary GARFIELD. A great many have already been adopted as a result of their work. The system of filing which has been put in as a result of all of their recommendations in itself will more than pay their expenses, and in the expedition of handling and the final economy in space and clerk hire will a great deal more than pay for what we paid them.

REDUCTION OF CLERKS.

Mr. BURLESON. Have you recommended a reduction of clerks in your present estimates because of the recommendations made?

Secretary GARFIELD. Yes, sir. I will show you in the estimates I have made how we rearranged the force. As you will appreciate, it is not possible to pick out in every individual instance, where a recommendation has been made, how much money that has saved; you can judge better from the general results in the Department as a whole, and much of the saving that will ultimately result from this investigation and these reports, will depend upon what Congress will do in permitting me to carry out some of the plans that we will bring to your attention later.

As to the redistribution of space and the putting in of the necessary mechanical devices to carry out the plans suggested not only by Gunn, Richards & Co., but by the officers in the Department who have taken these matters up, their reports when sent in I immediately turn over

to the head of the office affected by it, and ask him and the men under him to go over in the greatest detail their recommendations and to advise me whether they are recommendations that can practically be carried out, and if so, I direct them to be put into effect at once.

In the Patent Office, Mr. Moore took their recommendations and in accordance with those and with his own that grew out from conference with them has done a great deal towards the reorganizing of that force. He is asking for the increase that will permit this to be done this year. That will be taken up specially.

Mr. BINGHAM. His recommendations cover your large increased force more so than any section or division of the Department?

Secretary GARFIELD. The entire increase in the Department comes from the Patent Office.

Mr. TAWNEY. How many people were employed in the work that was involved in these intermediate divisions?

Secretary GARFIELD. Forty or sixty. I have forgotten now which. My impression is it was forty.

Mr. TAWNEY. And they were transferred to the several bureaus in your Department?

Secretary GARFIELD. Yes, sir.

Mr. TAWNEY. Was the work in those several bureaus current?

Secretary GARFIELD. It was not.

Mr. TAWNEY. There was the necessity for forty additional employees in the several bureaus to which they were transferred?

Secretary GARFIELD. Yes, sir. As to that question of the number of persons I might speak of it now. The question of whether or not there were more persons in any of the divisions of the different offices outside the Secretary's Office is receiving the careful attention of those offices. The Land Office was one of the first we took up. We found there that a great many of the divisions were far behind in their work and they were employing people who were not efficient and were not doing their full quota of work. I directed Mr. Ballinger to go over every one of those divisions where there was this back work accumulating and find out the character of the people employed, the reason for the work being behind and take such steps as might be necessary to bring the work up to date.

CONDITION OF WORK.

Mr. BINGHAM. How is your work?

Secretary GARFIELD. In most of the divisions the work is now current; in a number of them it is from two to three months behind.

Mr. BINGHAM. Is that very much less than when you took control?

Secretary GARFIELD. Yes, sir; it is very much less.

Mr. BINGHAM. You give the credit to your reorganization?

Secretary GARFIELD. Yes, sir.

DISMISSAL OF CLERKS.

Mr. TAWNEY. As a result of this reorganization how many people in your Department, outside the Pension Bureau, were dismissed or demoted?

Secretary GARFIELD. I am sorry I did not bring those figures with me.

Mr. BURLESON. You say that you found that some of them were inefficient?

Secretary GARFIELD. Yes, sir.

Mr. BURLESON. Did you dismiss a single one?

Secretary GARFIELD. I did. I dismissed a number and have reduced a large number, and I have directed in each bureau that this policy be pursued; that if any clerk is reported or is known to be inefficient that that clerk shall be called to account and shall either be reduced or dismissed in accordance with the gravity of the case. I have held this, that people who have rendered long and efficient service and whose inefficiency is due to old age and not to any personal vicious habit, shall receive the utmost consideration and should not be dismissed unless necessary, but should be reduced to the lower grades, and that the men or women who are doing the work be advanced to the grades to which they were entitled by reason of the work itself.

Mr. BURLESON. So far as you know, there has been no departure from that rule?

Secretary GARFIELD. I hope not; there may have been; that has been my effort; but in so large a service there may be found instances where it has not been done.

Mr. TAWNEY. Is the compensation to the Government of this reorganization in a saving of expense alone, or in the increased amount of work and the increased efficiency alone, or both?

Secretary GARFIELD. It is in both, and I take it as self-evident that increased efficiency means increased economy. With the same number of clerks in the patent division of the Land Office we are turning out four times as many patents as we were before. That is one of the economies.

LAND OFFICE—CONDITION OF WORK.

Mr. BURLESON. How much behind is the work in the patent division of the Land Office?

Secretary GARFIELD. It is now, I am advised, practically current. The other day I sent over there 2,400 patents for issue in one of the Indian allotments, and one of the clerks said to me "You will not have that done for weeks." I told him we wanted it done right away and to send them over and in five days' time the patents were out. Six or eight months ago it would have been four or five months before the patents would have been gotten out. By the reorganization of that division and by Mr. Ballinger putting in typewriters we are able now to do the work in a satisfactory manner. Mr. Ballinger will be able to give you the details of that particular division. In regard to typewriting over there, he found in one division that the typewriting was falling away behind and accumulating day after day. He reported the fact to me. I found the daily record of the number of sheets of typewriting material that was turned out by that division. It ranged from eight up to twenty-six, I think. I knew that was far below what it should have been. I directed a trial of ten days be given with the understanding that if anybody fell below, I think it was eighteen pages a day, they would have to be dropped. At the end of the time everybody was above the limit. I directed

that the increase be a fair average, but not too high. As a result of that, he has been able to increase in marked degree the work of that office.

Mr. GILLET. It is not reorganization that does that? That is administration; that is the new spirit in the Department.

Secretary GARFIELD. Yes, sir. These men went into the department, through every one of the offices, and with the eyes of experts looked at things from the outside and pointed out where mistakes were occurring. As you gentlemen can readily understand, a Secretary can not by any possibility go into the details of these various offices.

Mr. BURLESON. He is not an expert?

Secretary GARFIELD. That is right. He has not the time, if he had the knowledge, and I therefore employed these men with their expert knowledge to ascertain these facts and to show the heads of these offices what would be the necessary steps to make the changes.

Mr. TAWNEY. How much space in your building has been gained as a result of this reorganization?

Secretary GARFIELD. In the Pension Office we have room for three hundred odd desks now made available.

Mr. BINGHAM. Those are clerks?

Secretary GARFIELD. Yes, sir. In my own office it was possible to give all the space that the division of pension appeals occupied, which was the entire F street front, to the Patent Office, transferring them to this vacant space in the Pension building. It was possible to do away with the offices occupied by these people in the Secretary's office and turn their offices over to the Patent Office that was overcrowded. It made it possible for me to rearrange the office of the Secretary, to the end that I could have my office in the corner, with one Assistant Secretary at one side and the other Assistant Secretary at the other side, a central operating point where it is easy to transact work without loss of time.

Now, to refer again to this question of the method I have attempted to put in force for reductions and dismissals: In addition to those people who have faithfully served in civil position, I have taken the ground that veterans should receive meritorious treatment if their efficiency has decreased because of old age or because of disability. I believed they were entitled to consideration over and above those who had no such honorable record. I have had to reduce a number of those men to lower salaries. Unfortunately, I have to drop some of them, because I found their inefficiency was due to their own fault.

Mr. BURLESON. Wholly inefficient?

Secretary GARFIELD. Yes, sir. I have had to drop them altogether. I have had some pretty hard cases, and it is by no means an agreeable task. I endeavor, when a case is presented to me, to find out if that person has a family or relatives outside who can take care of him. I would not dismiss a person who had served long and faithfully if it meant that he was to be thrown out completely with absolutely no one to look after him. I should take my chances of holding him and giving him something to do for the time being. I have in mind one case where a number of men in the Department raised a purse for one man who had to go. It was a case of absolute inefficiency where there was no longer any hope of employing him. In another case

there was a clerk in the Land Office who had to be led from one room to another, by a fellow employe. We certainly could not keep that man longer.

PENSION OFFICE DISMISSALS.

Mr. GILLET. Have you applied that rule to the Pension Office?

Secretary GARFIELD. Yes, sir. There the Commissioner has dropped over a hundred clerks during the last year. They are dropped in this sense; the Commissioner does not fill a vacancy when it occurs.

Mr. TAWNEY. That rule was adopted two years ago?

Secretary GARFIELD. Yes, sir. That is nothing new.

Mr. BINGHAM. And in the estimates he eliminates them?

Secretary GARFIELD. Yes, sir. Next year there will be seventy-five or a hundred more reductions made in the same way.

Mr. BINGHAM. That has no reference, however, to your new system?

Secretary GARFIELD. No, sir; it is wholly independent.

PATENT OFFICE—ARREARAGE OF WORK.

Mr. TAWNEY. Have you investigated the cause of the arrearage of work in the Patent Office, and if you have ascertained the cause, what is it?

Secretary GARFIELD. The cause has been, first, the very great increase in the patent business. Second, the corps of examiners were not either in number sufficient nor were the salaries paid to the chief examiners sufficient to hold the class of men who could expeditiously handle and organize the handling of this work. Take the last first. The great increase in industries during the last few years in this country has caused a constant demand on the part of manufacturers for men who were skilled in patent matters, and the very moment our examiners got to a point where they were very skillful men they were carried off by the outside because of the greater inducements offered, and we have been unable to supply the demand with the proper material. It is all under the merit system, and they have not been able to keep anywhere near the supply on hand that was needed to fill the vacancies constantly occurring.

Mr. TAWNEY. Did they keep the supply on hand that was authorized by Congress?

Secretary GARFIELD. They tried to, but people would not take the examinations because they felt the salaries were not sufficient to induce them to go in. At least, that is the report given and the answer made by many of the applicants.

Mr. GILLET. There was no eligible list?

Secretary GARFIELD. There was not, and they have run around outside and filled it as best they could. There have always been vacancies for that reason.

Mr. BINGHAM. And that is the reason for the recommended increases?

Secretary GARFIELD. Yes, sir. I have gone over those with the Commissioner. He was the assistant commissioner and had been an examiner prior to that time. I recommended his appointment because from what I could learn he had that intimate knowledge of the

work of the office which would make it possible for him to make a report which would be entitled to respect.

Mr. LIVINGSTON. Have you not found also that the lagging in the work of some of the divisions was due to the chiefs as well as the clerks?

Secretary GARFIELD. There is not the slightest doubt about that. That is one of the things I want to speak about and I might as well refer to it now. I am very confident that the failure on the part of any organization to be efficient is due to the lack of proper inspection, knowledge and control by the head of the office or the Department. There is not the slightest doubt about that. We have a body of employees in the Department, men and women, who are comparable with any body of men and women in any office outside or inside the government service, and if the man at the head of an office calls upon those people in the way he should and is willing to do his share and make himself familiar with the work of the office, and listen to the suggestions of the men and women doing the actual work, he will find that they will respond to the increased demands placed upon them.

Mr. LIVINGSTON. It has gone abroad almost universally that this was due to the clerks, and I have taken the ground that it was largely due to those who have the oversight?

Secretary GARFIELD. You are quite right. The clerks will take the lead of the men above them. Very often you will find inefficiency in both places, and it is not by any means attributable wholly to either one. In order to make myself more familiar with this condition and not act upon the recommendation of heads of the offices blindly, I have gone over, from the cellar to the attic, all of the buildings under the control of the department. I have gone into all the rooms, have met as far as possible the people responsible for the work and have conferred with those people about details that had been suggested. One of the changes that has already resulted in a great increase in efficiency, has been the changing of the physical plant of the Interior Department as to cleanliness. I found in the basement of the old Patent Office there were room after room filled with rubbish, full of decayed and molding public documents, full of old furniture, in a condition that no one should be asked to work in, and as a result men did not work with any comfort and they did as little as they could. Every bit of that rubbish has been removed, nearly 800,000 volumes have been taken out of those rooms and sent to the Superintendent of Documents, the rooms cleaned and white-washed and if any of you gentlemen come to the building and look it over, and I wish you would, you will find that the rooms are now in a condition so that clerks can work in them with safety to their health, and as a result we get more work out of the men who are placed in them and it affords a relief in space to the Department as well.

GENERAL RECLASSIFICATION IN EXECUTIVE DEPARTMENTS.

Mr. TAWNEY. In going through the estimates for compensation and clerical force in the Executive Departments in Washington that are carried in this bill, I observe that there is a very general increase in compensation recommended all along the line. These estimates were

made last September, before there was any material falling off in the revenues of the government. I would like to ask if these recommendations for increases were made after a conference with the heads of the several Executive Departments?

Secretary GARFIELD. The action resulted from a conference between the heads of the departments in which we discussed generally the condition of the clerical forces, and there was presented to the President a statement from the different departments—whether that report has now in fact been submitted to Congress, I do not know, but the different departments had it prepared, showing what was believed to be the need of a general reclassification in the salaries of the clerical force, and that reclassification, if I remember it, resulted in an increase of somewhere between six and eleven per cent. Of that I am not sure.

Mr. BRICK. In numbers?

Secretary GARFIELD. No, sir; in amount, in salaries. The scheme of reclassification was this: To give a higher salary to employes who are doing a higher grade of work and to equalize the average grade of salaries in what might be called the sub-clerk grades, so that we would conform to the salaries paid in the business world, taking into consideration the difference between the public service and the outside service. The President then asked that we submit as far as we could under existing law estimates for this year on a basis that would be somewhat comparable with the suggested reclassification of the whole system of salaries. That of course was not possible in the grades of clerks because the grades jumped \$200 at each change, whereas in the proposed reclassification the change was made at \$50 and \$100 within certain grades.

Mr. TAWNEY. It is \$100 between grades?

Secretary GARFIELD. Yes, sir.

Mr. BINGHAM. When was this conference?

Secretary GARFIELD. We discussed it before we all left last summer and when the estimates were made we had this in mind, but they were not finally presented until this fall, until September or October, at the regular time. Then there was a representative from each department on this committee which made the final report to the President. The chief increases in my own Department, speaking for those, would be in some of the higher salaries. I believed that was right because of the character of work these employes are engaged in, because of the comparison between their work and work outside, and because of the increase in the cost of living in Washington.

Mr. TAWNEY. You were a member of the Keep Commission?

Secretary GARFIELD. Yes, sir.

Mr. TAWNEY. You participated in the investigations made by that Commission?

Secretary GARFIELD. Yes, sir.

KEEP COMMISSION INVESTIGATIONS.

Mr. TAWNEY. I would like to ask you if it is a fact that as the result of your investigations by the Keep commission you did not find that all through the government service in Washington the men employed in the more responsible positions were underpaid, while the people

employed in the ordinary clerical work were overpaid, as compared with wages paid for like services by outside institutions?

Secretary GARFIELD. That is a very exact statement of the result of our investigations.

Mr. LIVINGSTON. That is one reason why it is hard to hold your better employees?

Secretary GARFIELD. Yes, sir.

Mr. BRICK. If I remember correctly, they dropped some of the lower clerks and add to the compensation of other clerks, so that the estimates are not materially increased. The thought came to me that while we never can retract, never do, at all events, you will have a less number of employees receiving an increased salary, each one of them. Can you do that and do the work, or will you come back to us next year and want us to put in some of the lower employees and say, "We can not do the work; we need more clerks?"

Secretary GARFIELD. Speaking for my own Department, I am very confident that with the rearrangement of salaries as suggested I will not ask for an increase next year, unless there be an unforeseen increase of business, but I believe that the plans of reorganization which we have in mind now when effected, will more than care for the normal increase in business of the Department so I will not require any additional estimates next year.

Mr. BRICK. How does merely the increase of salary take the place of employes dropped when you have needed them, or they all claim they have, up to this time?

Secretary GARFIELD. I can cite one very striking instance in my own department. I found the number of laborers to be 135, but by the method of distribution they were not performing the work as I believed it should be performed. I have asked that the number be reduced by thirty-five, but I want to employ a man who will be over these laborers at a higher salary. I will hold that man responsible for results. I know he can do the work. I know the work will not be done if it is allowed to be carried on by each man doing as he pleases, but if the work is supervised and the man at the head is paid a salary commensurate with the position, we can have the work done with a less number.

Mr. TAWNEY. The theory you are going upon in this reorganization is that up to this time we have hired more men than actually necessary on account of the looseness of methods?

Secretary GARFIELD. You are quite right; I believe that to be true.

Mr. TAWNEY. You think that a less number of men can do the work under better methods than heretofore?

Secretary GARFIELD. I am quite confident of it.

INSPECTORS.

On the question of inspection, if the head of the department has his inspectors doing the real inspecting work of that department and making intelligent reports to him, then, he is able to do just what we are able to do with the organization of the Department. Congress gives the Secretary of the Interior twelve inspectors, six of whom are denominated Indian inspectors, four Land inspectors, and then two special inspectors. I have asked that that number be reduced to eight and that they simply be called inspectors of the

department, and that I be allowed to pay them \$3,000 instead of \$2,500. I then should select men similar to the type of men I have found employed by Gunn, Richards & Co. The inspecting force will be constantly kept traveling throughout the country, inspecting not what people outside have done, but inspecting our own offices, finding out how the land offices are being run, how the Indian agencies are being conducted, how their funds are being used, how their supplies are being cared for, how they are handling the business of the particular office, and then make reports to me in such fashion that I can direct such modifications or changes in administration as will reduce both expense and increase efficiency. That kind of an inspection force will be of tremendous benefit. I found that when the reports of these various inspectors traveling throughout the country, the twelve men, were sent in, ordinarily they had been distributed among the different divisions of the office and nobody knew whether anything was done on the reports or not.

Mr. GILLET. Is not that the natural result and does it not all depend upon who is at the head of the department? If you have a young and active man in the position who will look after the matter, you will have an admirable force. If you get the ordinary man who is at the head of a department, is it not a fact, these men, not being under the civil service, that the positions would be given as patronage to the men who demanded them and the inspectors be of little use to the Department? Is it not really a question of personality?

Secretary GARFIELD. I should say not. It should be a system that can be run by the average man who comes in and not a system based upon a single man.

Mr. GILLET. Your system depends on the chief?

Secretary GARFIELD. I think not.

Mr. GILLET. Should we not try to build up a system that will run itself and that should not be subject to the abuse which we have found in our government results from patronage? It seems to me these agents are just that kind of a system.

Secretary GARFIELD. If the question in your mind is whether these men should be under the civil service, I should quite agree that they be under the civil service. I think you are quite right that we should prevent these agents being used as the personal representatives of the Secretary to go around and do as they pleased. I should be quite content that these persons should be selected or placed in any way Congress saw fit under a rule which would prevent them being used as personal agents of the Secretary. But the thing that occurs to me is this, at present that is the system, they are appointed by and with the advice and consent of the Senate and some without the advice and consent of the Senate. They are outside the civil service. I had to drop one of these men the first thing, because I found that he was not conducting himself as he should and he was not doing the work of an inspector of the character I required. I think if you had eight men who were doing the work I have indicated, we would have a much better system than you have to-day. As long as these reports were simply pigeonholed, filed away, of course nothing was ever done and there never was any checking up to know whether a recommendation was adopted or not. Now, all of these reports are handled by my private secretary. He sees to it that every bureau is advised of what these agents report. He then calls upon the bureau for a statement

of what they have done in connection with the report. Later, when the agent goes there again, he reports as to whether that has been carried out or not. In that fashion we could keep the eight inspectors at work in such a way as to render very good service to the entire department by getting among these outside offices.

Mr. TAWNEY. Would a limitation something like this interfere with the efficiency of the service, speaking now of the service of the special agents, "whose employment shall be limited to inspecting offices and work in the several offices under the control of the Department of the Interior?"

Secretary GARFIELD. It would not interfere at all. It is what they should be used for. I think these inspectors, in no instance, should be used for the inspection of land frauds or for the inspection of anything other than the work of the Department itself. It would not embarrass me at all in the conduct of the plans I have in mind if a limitation of that kind were proposed.

Mr. TAWNEY. That would certainly prevent them being used by the man who is in the office of Secretary of the Interior for any personal or political purposes?

Secretary GARFIELD. You are quite right and it should be. If you can arrange it by such language it should be put in the bill by all means.

Mr. TAWNEY. The twelve inspectors now authorized by law may be used for any purpose that the Secretary of the Interior wishes?

Secretary GARFIELD. There seems to be no limit upon the purpose they may be used for.

Mr. TAWNEY. Either for personal or for public reasons?

Secretary GARFIELD. They ought not to be used for personal reasons.

Mr. TAWNEY. They can be and I think they have been.

Secretary GARFIELD. If they were found out the Auditor should hold up the accounts.

Mr. BINGHAM. Do you require any independent legislation to carry out your reorganization thus far effected?

Secretary GARFIELD. None whatever.

Mr. BINGHAM. As I understand, you claim for your scheme from an experience of the past eight months, expedition?

Secretary GARFIELD. I do.

Mr. BINGHAM. You claim the elimination of duplication?

Secretary GARFIELD. Yes, sir.

Mr. BINGHAM. And you claim a saving in the expense of the Department?

Secretary GARFIELD. Yes, sir.

Mr. BINGHAM. Have you adopted any of the schemes or propositions of your commission?

Secretary GARFIELD. Some of them.

Mr. BINGHAM. Their adoption requires no legislation?

Secretary GARFIELD. None that I have in mind.

Mr. BINGHAM. Do they in any wise affect your bookkeeping accounts?

Secretary GARFIELD. They do not.

Mr. BINGHAM. You are wholly independent in the scheme you are now operating under, without legislation?

Secretary GARFIELD. Yes, sir.

TRANSFERS.

Mr. BINGHAM. You spoke of the suggested increase of compensation in the higher grades of the force in your Department. We hear as to other departments that efficient men upon application are transferred on account of the increase of pay from one department to another. A man at \$1,200 sees a vacancy at \$1,400 in another department and he applies for it. Does that obtain to any extent in your department?

Secretary GARFIELD. It does not. I have declined to transfer any employee from another department at a salary above the lowest, if there was a person in my department eligible for promotion to that place. The only exceptions I have made were in bringing with me from the Bureau of Corporations my own secretary and my own two stenographers. Outside of that, I do not recall any exception to the rule I have indicated.

Mr. BINGHAM. When the transfer is asked you decline?

Secretary GARFIELD. Yes, sir.

RESIGNATIONS.

Mr. BINGHAM. Are there many resignations in your department from outside business solicitation or request?

Secretary GARFIELD. In the Patent Office, yes.

Mr. BINGHAM. Omitting the Patent Office, I mean otherwise. The men receiving \$2,500, \$3,000 and \$4,000, you hold them, do you not?

Secretary GARFIELD. I do not now recall any resignations since I have been in office.

Mr. BINGHAM. Therefore, the men well paid, you are able to retain at present salaries?

Secretary GARFIELD. Yes, sir.

Mr. BINGHAM. That is your experience?

Secretary GARFIELD. There are of course individual cases. I know of men who have received larger offers outside, but the inducement to stay in the public service at their present salary has been in their minds sufficient to keep them there.

Mr. BINGHAM. The certainty of retention during good behavior?

Secretary GARFIELD. Yes, sir.

Mr. TAWNEY. Can you give us an estimate of how much the expenses in your Department, outside of the Pension Office, will be reduced annually as a result of your reorganization?

Secretary GARFIELD. Yes, sir; I will furnish that statement.

UNDER-SECRETARIES.

There is one point which would make the organization of the Secretary's office in this Department different from any other, and that is the recommendation that I make for abolishing the chief clerk's office and the appointment of two under-secretaries to take the places of what would now be the chief clerk and the head of the division of appointments. Under the present system the chief clerk of a department is a position for which there is no real need. The old idea of the chief clerk was that he should be in general charge of all the clerks in the department. Of course, with a small department, that

is all right, but with a department like the Interior, with a great many large bureaus, a chief clerk by no possibility can have any intimate knowledge of the personal value of the different clerks, and his duties are reduced to the minimum.

Mr. BINGHAM. What compensation does he receive?

Secretary GARFIELD. \$2,500 and \$500 additional as superintendent of the Patent Office building and other buildings of the Department. If that office were abolished and the office of chief of the division of appointments were abolished and two under-secretaries appointed, who would be in the classified service, they, with the private secretary to the Secretary, would make a permanent business committee that would see to the things that Mr. Gillett has suggested and any change at the top would cause little difficulty in the permanent administration. The two under-secretaries with the private secretary could be used as a permanent committee, and if I had those two offices I should use one of the under-secretaries as the man in charge of the physical plant. His duties would be to have charge of all the buildings of the Department, the general contingent fund, and supplies, all those things would be under him. Everything having to do with the personnel side of the Department, the general conditions of work among the employees, the appointments under the civil service rules, and the inspectors who have charge of the persons in the field would come under the other man. Those two persons could so arrange the business end of the work of the Department as that they could give their entire time to the work. At present the duties of the chief clerk, provided by statute, do not give him much, if anything, to do. Nominally he has charge of the clerks, actually he has not.

Mr. BINGHAM. There are too many clerks?

Secretary GARFIELD. Yes, sir; too many. But by the appointment of these two men, using them in the way I have indicated, you could divide the work between them and have an efficient permanent business committee that would be constantly on the lookout for increasing the efficiency of the whole department and carrying on the present plans of organization.

Mr. GILLETT. Why can not the chief clerk do that now?

Secretary GARFIELD. He can, but by law certain duties are given to him. You know where certain specific duties are given to a man by law that if you try to shift those around you are very apt to run up against difficulties.

ASSISTANT SECRETARIES.

Mr. TAWNEY. How do you propose to utilize the service of the two assistant secretaries in addition to the under-secretaries?

Secretary GARFIELD. They will perform the same work they are doing now.

Mr. TAWNEY. You only have one?

Secretary GARFIELD. No, sir; for a long time we have had two. I am very glad you asked that question, because that is a matter I want to speak about. Last summer I went West and spent nearly three months going to the land offices, the different reclamation projects, the Indian reservations, and parties in the field from the Geological Survey, wherever I could meet their parties on the public domain, meeting our people who are employed and meeting the people who have to do business with the Department. It was of tremendous value

in giving me the point of view of men away from Washington who have to deal with this Department, and aiding me to act upon matters which come before me. I think one of the secretaries, referring to the Secretary and the two assistants, should almost always be in the field, going over generally the conditions, meeting the people with whom we have to deal, finding out from them at first hand what their troubles are, and what the effect of the regulations and rules of the Department are. Then it makes it possible for him, when these papers come before him, to act with very much greater intelligence and with greater justice in the multitude of cases before us. Cases involving tremendous property values come over the desk of the Secretary. We have to act as a court of final appeal in cases that involve the homesteads and the rights of the citizens of this country quite as fully as the Supreme Court, and if we know these things only from the mere reading of the record we often go wrong, whereas, by a division of our duties we could then have the opportunity of having always two men who could do any part of the work of the Secretary's office, and the other man could be out in the field getting into close touch with what is going on. There is always more than enough work to keep three men busy all the time.

Mr. BINGHAM. You are asking for two additional under-secretaries?

Secretary GARFIELD. Yes, sir. Those two additional are not additional in the sense of being new officers, one is now the chief clerk and the other is the chief of the appointment division. The only increase in salary would be in the appointment clerk's compensation and in the request that the two Assistant Secretaries be on the basis of \$6,000 instead of the present \$4,500.

Mr. BINGHAM. That would be adding duties to the work of your appointment clerk?

Secretary GARFIELD. Yes, sir.

I have endeavored to give you in a brief form and yet it has been necessarily long, my general scheme about the organization in the Department. I appreciate that there is always a danger in making a change in a plan that has been in operation for many years, because it then takes away, as your Chairman suggested to me one day, the opportunity for comparing the expenditures under the new plan with those under the old plan, but, on the other hand, I believe if we can show efficiency and economy gained, by making a radical reorganization, and can put it on really a permanent basis by act of Congress, that it is wise to make the change, and I feel so confident that such a reorganization is now feasible, I would like immensely to be given the opportunity to try it.

As I have expressed to your committee before, I believe in the closest kind of cooperation between your committee and the department. I get suggestions from Members of the House and Senate on the proposed changes and if we work together we can agree upon a plan that will be a success.

CHIEF DISBURSING CLERK.

Mr. BINGHAM. On page 215 there is new matter at the top of the page, "chief disbursing clerk in lieu of chief of division, \$2,250?"

Secretary GARFIELD. That is simply an increase to make the chief of that division receive a salary which I believe to be commensurate with his duties and the character of work that he is performing.

Mr. BINGHAM. That is in lieu of the present chief?

Secretary GARFIELD. Yes, sir.

Mr. GILLETT. What difference does it make whether you call him "chief of division" or simply "disbursing clerk?"

Secretary GARFIELD. I want to blot out as far as possible the old divisional idea. He is in charge of a specific character of work. I endeavor to have a uniform nomenclature of the office.

Mr. GILLETT. Are the duties entirely different?

Secretary GARFIELD. No, sir; the duties will be the same.

Mr. GILLETT. We would like it better if you kept the old nomenclature, if it does not make any difference?

Secretary GARFIELD. Perhaps, it might be just as well. I wanted to designate what his particular work is.

Mr. GILLETT. If we could leave these clerks all at the old designations you could carry out your reorganization scheme just the same?

Secretary GARFIELD. As far as the salary is concerned, I could.

Mr. GILLETT. And as far as the work is concerned?

Secretary GARFIELD. Yes, sir.

Mr. GILLETT. There would be no inconsistency, except that you would like the titles changed?

Secretary GARFIELD. Yes, sir.

Mr. BINGHAM. In other words, you could do the work with the salaries they now receive, only your judgment is they should have the higher salaries?

Secretary GARFIELD. Yes, sir.

Mr. BRICK. That is true of all the new matter?

Secretary GARFIELD. Yes, sir. The same answer applies to all of them.

Mr. BINGHAM. You ask for eight clerks at \$2,000 each?

Secretary GARFIELD. That would be a rearrangement of the higher grade of clerks and a lesser number of the lower grades.

Mr. BINGHAM. In the sum total you are saving, and not expending a larger sum of money?

Secretary GARFIELD. That is right.

Mr. BINGHAM. And that applies especially to your own office?

Secretary GARFIELD. Yes, sir.

Mr. TAWNEY. Aside from new authorizations and the increases in the number of clerks, your increase in salaries that are recommended in the estimates and in the bill before you are submitted in accordance with the result of a conference with the heads of the department—

Secretary GARFIELD. Yes, sir; the general result.

Mr. TAWNEY. The general increase in the lower grades?

Secretary GARFIELD. Yes, sir.

Mr. LIVINGSTON. If you are going to increase clerks' salaries over \$1,800, which is Class four, you would have to establish another class and call it Class five?

Secretary GARFIELD. They are designated as clerks at \$2,000. It is not wise to establish a new class now unless you attempt the general scheme of reclassification.

Mr. BRICK. The sum total estimate is \$370,680 while the appropriation for the current year is \$357,890. That increase is in salaries largely?

Secretary GARFIELD. From the estimates given, excluding the Patent Office, there has been a net decrease of ninety-eight places. There has been a net decrease in amount of \$32,220. I can give the Committee this statement which goes into detail.

Mr. TAWNEY. Does that include the Pension Office?

Secretary GARFIELD. Yes, sir.

Mr. TAWNEY. They were practically all in the Pension Office?

Secretary GARFIELD. Not altogether. The large reduction of one hundred and seventy-one was in the Pension Office. Then, including the Patent Office, the net increase shown is \$365,240.

PENSION OFFICE—LABORERS.

After a conference with Mr. Warner, this morning, I suggest that the skilled laborers and firemen in the Pension Office, who are put on my own roll in the estimates, be put back on the Pension Office roll. The Commissioner thinks, for the purposes of administration in the Pension Office, it would be better to have those same people put on his roll rather than on the Secretary's office roll.

Mr. TAWNEY. To continue them on his roll?

Secretary GARFIELD. Yes, sir; but reduce the number of laborers from twenty-three to twenty.

PATENT MODELS

I would like an additional appropriation of \$10,000 for the models so I can carry out whatever Congress wants done. If the models are to be boxed and stored, moved or destroyed, I must have an appropriation; the present contingent fund is not sufficient.

Mr. BURLISON. The expenditure of this \$10,000 would result in a saving to the government?

Secretary GARFIELD. Yes, sir; because we are now spending \$26,000 a year for rent.

CONTINGENT EXPENSES

Mr. BINGHAM. You are asking for an increase of \$10,000 in contingent expenses?

Secretary GARFIELD. Yes, sir. Of the \$105,000 appropriated this year we have spent up to this time \$40,000, that is during the first six months, and with the estimates given by the various bureaus of what will be needed for our work next year, I felt that \$10,000 extra would be sufficient to cover it.

Mr. BINGHAM. Can you spend the balance of the \$105,000 during the remainder of the year; you have only spent \$40,000 during the first six months?

Secretary GARFIELD. The next six months will take in the field work. I went over the estimates in detail with the bureau chiefs and I thought that I would not be safe in asking for less than \$10,000 increase.

BRANCH PRINTING OFFICE

Mr. TAWNEY. When you were before the Sub-Committee on the Urgent Deficiency bill a few days ago, you spoke of abolishing the branch printing office in your Department?

Secretary GARFIELD. Yes, sir.

Mr. TAWNEY. Have you reached any final conclusion?

Secretary GARFIELD. I have not yet had the report from the Public Printer. My intention is to abolish it. I can see no good reason for keeping it.

MONDAY, *January 27, 1908.*

DEPARTMENT OF THE INTERIOR.

ADDITIONAL STATEMENT OF HON. JAMES R. GARFIELD, SECRETARY OF THE INTERIOR.

DEPARTMENT LIBRARY ABOLISHED.

Secretary GARFIELD. Mr. Chairman, there were one or two points that I would like to add to the general statement which I made on Saturday, in view of certain questions that were asked. It will take me only a moment. One thing I did omit was the abolition of the Department library. I found there was a library there of some 9,000 volumes, and it required two clerks to care for it, and it was merely a circulating library. I distributed all of those books to the Congressional Library and to the city Library, and I have done away with those two places. There is no need whatever of maintaining that sort of a library collection, and as to each one of the bureau Library collections I have directed that every book of a general nature be sent to the Library of Congress, and that they retain in the bureau libraries only those books that are books of trade, needed for their technical work, and that no purchases for those bureau libraries should be made other than for books of that character. There will be, therefore, a saving there.

Mr. BINGHAM. In that reorganization of your entire library conditions what do you reduce?

Secretary GARFIELD. I reduced two clerks and made available for other purposes the space which the library occupied, and did away with the care of 9,000 volumes that belong immediately to a circulating library.

Mr. BINGHAM. What do you do with those clerks?

Secretary GARFIELD. I have dropped them out of the estimates, and they will not be needed. As vacancies occur this year I can put them in.

REARRANGEMENT OF LABOR FORCE.

Mr. TAWNEY. In your reorganization plan, Mr. Secretary, you take over and transfer to the Secretary's office the entire labor force of the Department, do you not?

Secretary GARFIELD. With the exception of 20 laborers in the Bureau of Pensions. I requested that those be left there because of the condition in the Pension Office. After conference with the Commissioner of Pensions I believed that from the way in which that office is arranged, in connection with the files and papers, it was better to leave the 20 laborers under him, with the understanding on his part that if he does not need that many I can take them elsewhere and use them elsewhere.

Mr. TAWNEY. Would not the same reasons apply to the laborers in the Patent Office and other bureaus in your Department where

they need a certain number of laborers all the time to keep their buildings in good condition and handle such material as is required to be handled and do the work which laborers are usually required to do? Would not the same reason apply in the Patent Office?

Secretary GARFIELD. With this difference in the Patent Office: That building is occupied by their own Patent Office force, and also by the Secretary's office and the divisions of the Secretary's office, likewise the Indian Office and General Land Office building can be worked together better than having a separate force. The number of laborers employed in the Geological Survey and those in the Bureau of Education, just across the street from the Patent Office building, can be put more easily under one head and assigned as they are needed in each case. For example, when there is a large amount of documents to be handled from one of those bureaus, then there are the laborers available to do it, and the custodian in charge of the force would then put the force into that one bureau rather than let the work go on more slowly.

Mr. TAWNEY. At whose instance would he do that?

Secretary GARFIELD. At the instance of the head of the bureau. That method would work automatically. If the Bureau of Education should need more laborers, the Commissioner would simply send over to the head of the labor force and state his need, and the head of that force would send them over.

ASSIGNMENT OF MESSENGERS.

Mr. LIVINGSTON. Is your messenger force cut in the reorganization?

Secretary GARFIELD. Yes. The head man will assign messengers in accordance with the needs of the different offices.

Mr. LIVINGSTON. Sometimes I see three or five messengers sitting at one door.

Secretary GARFIELD. That should be avoided, and could be avoided if there was a man at the head of the messenger service constantly on the lookout. I have two messengers. They may sit for a long time not doing a thing, and yet the balance of the day they may be hustling all the time. I think that an effective messenger service is a great saving of time. Necessarily for some hours in the day, it might be, they would not be actively engaged.

Mr. LIVINGSTON. If you had a head man, he could assign them where there is a deficiency?

Secretary GARFIELD. Yes, and in accordance with the needs of the office.

PENSION OFFICE FORCE UNCHANGED.

Mr. TAWNEY. I understood on Saturday that you said you had decided to leave under the control of the Commissioner of Pensions not only the labor force and female laborers, but all the people who have been heretofore employed in the service of that bureau.

Secretary GARFIELD. Yes. I did that, in a measure, because of the isolation of that building and the larger force required there, and because of the very well-defined character of work that the Pension Office has to do. It has not the removal of public documents; it has not the degree of unusual work that we have in the Land Office and in the Patent Office and in the Indian Office. Its work is all of one

character there, and the force of laborers comes in simply to clean those floors. The charwomen clean the floors and scrub out the rooms, and then go away. Further than this, the Commissioner of Pensions tells me that for convenience of work these papers are left in the various rooms, and the files cannot all be locked up. For that reason he feels that there is greater security in the method of handling his papers by having the same people assigned every day to the same rooms, so that they are strictly responsible if anything is missing in the files of that office. You know there are millions of bills there.

Mr. TAWNEY. So far as the Pension Bureau is concerned, your reorganization does not change the control of the force necessary there, either messengers, engineers, or female laborers?

Secretary GARFIELD. No.

Mr. LIVINGSTON. Is that force sufficient to take care of those things?

Secretary GARFIELD. Yes.

LABOR FORCE REDUCED IN THE DEPARTMENT.

Mr. TAWNEY. To what extent do you reduce the labor force in the Department?

Secretary GARFIELD. By thirty.

Mr. LIVINGSTON. What becomes of them?

Secretary GARFIELD. They will be dropped off, that is all. I will drop off those that are the least efficient.

Mr. BRICK. Of course you understand that it is necessary for us here to have laborers for one building and laborers for another building set off separately from year to year, so that we can compare them each year with the year before. Under your plan is there any way that we can have such comparison and arrangement, or would they all be in one bunch, except as to the Pension Office?

Secretary GARFIELD. It would all be under one appropriation under the Secretary's Office, but I could give you each year a statement of exactly how they were distributed, and the numbers that had been used in the past year.

Mr. BRICK. Do you think, without inconvenience under your plan, you could consult our convenience under the plan we have heretofore acted on?

Secretary GARFIELD. Yes, sir.

Mr. TAWNEY. If we provide in the appropriation bill for the labor force just as we have done heretofore, would not that force be under your control just the same and be as flexible as under the proposed reorganization?

Secretary GARFIELD. It could be. I can distribute and re-assign them. The difficulty would be this: In cutting off these thirty I do not know just what offices I can cut them off from, whether three here, or four there, or five there. The report shows that I can get along with forty less laborers in the gross. In the Pension Office I can cut off three. There I ask for only 20 instead of 23.

Mr. TAWNEY. There were 43?

Secretary GARFIELD. That included the charwomen; ten female laborers. It is simply a question of internal administration. If I were able definitely to say to you that I could get along with so many, I would be quite as willing to have it done that way.

ABOLITION OF INTERMEDIATE DIVISIONS.

Mr. TAWNEY. There is another vital question that occurred to me since Saturday in regard to your organization, as to the effect of the abolition of these intermediate bureaus. I have had talks with a number of heads of Departments from time to time since I have been on this Committee, and I have heard complaints about the heads of Departments being almost entirely subservient to the bureaus and bureau chiefs under their Departments. The heads of Departments have practically no protection, and with the vast amount of work and responsibility that the head of a Department has, they have suggested that they would be greatly relieved and that it would tend to afford them a check upon their bureaus if they had such an intermediate organization between their bureaus and themselves, so that matters could be prepared and compiled and presented to the heads of Departments for final action. Now in abolishing, as you propose to do, these intermediate divisions, will it not vastly increase the work of the Secretary of the Interior? In addition to that, what check will the Secretary have, under your plan? How, under your plan, will the bureaus under the Secretary be checked in their desire to extend their powers or activities or secure favorable action from the Secretary if their work is not to be reviewed by some division that is directly responsible to the head of the Department?

Secretary GARFIELD. The question is a very pertinent one, Mr. Tawney, and it opens up the discussion of the advantages of the two different systems, which are very wide apart. Under the system of divisional arrangement, it is true that that system evidently originated for the reasons that you suggest, and it was based in great measure upon a lack of cooperation and of mutual confidence between the head of a Department and the heads of the subordinate offices or bureaus. Now, when I use the words "lack of confidence," I do not mean necessarily that it was suspicion; but sometimes it changed to actual suspicion of the officer, namely, to the effect that he was endeavoring to get away from the Department and build up his organization independent of the general policy of the Department. That has occurred in several instances, without doubt.

The difficulty of these divisional arrangements was that there was placed at the head of each division a man necessarily less competent to pass upon these questions than the head of the bureau himself, and therefore the review of the recommendation of the head of the bureau was made by a person less qualified to find out whether that recommendation was a proper or improper one. The head of the bureau had under him the men who actually understood the work and the needs of the work, and their recommendation was based upon that kind of accurate and detailed knowledge of the needs of the service. The head of the bureau made his recommendation upon their report, and often with the full knowledge of what was required. The divisional arrangement brought that whole subject before an officer and a few in his own division who were absolutely without the possibility of knowing this condition, and who were judging that report wholly from the papers before them and from the precedents that had guided the division in the year before. I went over in the Interior Department hundreds of cases, and asked the divisional officers to give me a

statement of how many changes they had made in the recommendations that came from the bureaus, and what was the character of the examination they made, the character of review of the subjects presented, and they told me, and gave me the record for a number of years back. The changes made were infinitesimal. They never affected a broad policy. They never dealt with a single big expenditure. They were simply little flea bites on the whole body. As a result it had this tendency:

The head of a bureau, in sending for the recommendation of the officers under him, took the view often, "Well, the whole thing has to be reviewed by the division any way, and we will not be as careful about it as we would be otherwise. They will not touch the big policy; they will simply interfere with the little things." When that action was taken by the division chief and approved by the Secretary, I never found in a single instance that that action had been for the benefit or protection of the Department in dealing with that question. If it happened to be an account of the expenditure of public money, for example—those matters that were of the greatest importance in administration, such as the expenditure of the money in the Reclamation Service—the project was agreed upon primarily and approved by the Secretary: it was ordered to be carried out by the Reclamation Service, and the Reclamation Service through its engineers would perfect and prepare in detail the plan for a certain project, and that entire plan, the engineering features of it, with the estimates of cost and the methods of administering it all carefully worked out, would be sent to the division chief, who was without any knowledge of the details of that work. It would be mulled over by him for days, and sometimes for weeks, and minor suggestions or recommendations would be made to the Secretary, or it would be sent back for some further information, but usually on a matter wholly disconnected with the general problem and in no way affecting the legality or propriety of the expenditure, because the division chief did not necessarily have the requisite knowledge. Therefore when the recommendation came to the Secretary there was nothing added to it by this re-examination by the division.

Again, in the General Land Office, for example, a well-considered and carefully-digested opinion in a contested case would go through the machinery of the Land Office, and be acted upon by the Commissioner of the General Land Office, and sent with his official recommendation to the Secretary's office. Those papers would all be re-examined, either in the Railroad Grant and Right of Way Division, or in the Attorney General's office, or would be referred to the Indian Land Division, if it affected a matter coming from the Indian Territory, or affected Indian Lands. That division chief would simply go over these papers. It would be referred to some law clerk. I do not mean that the average law clerk is not an able man. We have very able law clerks there, but they are not more able than the law clerks in the General Land Office, and are not as well qualified, because they are not trained to that particular duty.

MR. TAWNEY. In the instance you cite, under your plan the matter would be reported directly from the Commissioner of the General Land Office to your office?

Secretary GARFIELD. Yes, to my office.

Mr. TAWNEY. Does your plan contemplate that the Secretary himself must make this review, or the Commissioner of the General Land Office, or somebody subordinate under the Secretary?

Secretary GARFIELD. The Secretary and his three assistants attend to that. In the appeal cases the reference is made to the Assistant Attorney General's office, because they are legal propositions, and all matters in the way of appeal involving questions of law are acted upon by the Assistant Attorney General, he being the representative of the Department of Justice. It is like a court of review; men who are lawyers looking, as they necessarily do, on the records of the case. That is different from an ordinary question of policy or executive discretion that comes up on the other classes of cases. But by these means, Mr. Tawney, we eliminate a vast amount of unnecessary detail that used to come to the Secretary's office, and instead of attempting to have all that detail done by the Secretary's office, it is done now by the bureau chiefs, and at the end of the month their reports are made, showing exactly what has been done. If a bureau chief has not carried out the policy of the Department, he is checked up instantly and is held responsible for it.

In the matters of expenditure I have required to be sent to me an accurate statement each month of what funds are expended, how far they have gone with each appropriation, and whether the outstanding liabilities against that appropriation are greater than they should be for the assignment of that quarter. In other words, the Secretary's office inspects these reports every month to see whether the general policies and regulations and laws have been carried out, instead of attempting to do in its own office the work of authorizing the expenditure of every item that comes forward. For example, when I first went there I had a great stack of mail each day from each of these divisions, authorizing all sorts of things that were impossible for me to have any knowledge of whatsoever; the expenditure of 50 cents for one thing, and \$3.19 for something else, all of which was a mere matter of writing my name on the papers, of which I could have no knowledge.

Mr. BRICK. How do you remedy that?

Secretary GARFIELD. The bureau chief is responsible for the conduct of his bureau. If a mistake is made, the disbursing officer, when the monthly statement comes in, checks that out and calls the head of the bureau to a strict account of it. In the Indian Office I ordered that in all expenditures under \$500 they should not need the consent of the Secretary, but that if the expenditure was made and the result showed that the officer in making that expenditure had violated the law, he would be held responsible. He is under bond, and the machinery is there for collecting it, and he understands that it is up to him to see that he obeys the law.

Mr. BRICK. Who finds out about that?

WORK OF THE INSPECTORS.

Secretary GARFIELD. It is found out by our inspectors and by the report that he makes to the disbursing clerk. In other words, we put the responsibility where it belongs, on the man who is doing the work. Under the other system I found that these men who had the work to do were throwing the responsibility off their own shoulders and put-

ting it on the Department when making recommendations, and did not care whether they were carried out or not. Now I say to these gentlemen, "If you make a mistake you are going to suffer, and your action will be examined and criticised at the end of each month," or quarter, as the case may be.

Mr. BRICK. And have you got any plan that requires somebody to look into these small bills of fifty cents, and \$3.19, and all those things, and see whether the law has been violated or not, or if the expenditure has been made properly?

Secretary GARFIELD. I have. In each office the head of that office is providing himself with an inspector, an accounting officer, whose whole duty it is to take up these accounts. Each one of the bureau chiefs will explain to you how that is being carried on and how this system will work out in each of the bureaus, to the end that the man in that bureau is held to the strictest accountability. These inspectors will be men who will go into each one of these offices and take up in detail the operations of that office, and also out in the field, for the quarter or period of inspection. It will not be a mere general inspection, but a checking up of the money actually expended, of the vouchers that are there, and the general conduct of the office.

Mr. BRICK. How do the inspectors know?

Secretary GARFIELD. They will have knowledge of the law and the general policy and orders of the Department. They will know what general authority has been given to that man to spend that money, and they know what property he has purchased. They go over his inventories and find out what property is on hand. I found when I was in these offices this past summer that because of this failure to impose the responsibility on the local men, the local men simply shirked all responsibility and turned everything over to the Department, and if things did not go right they would say the Department had approved of it. Or they would say in the case of some neglect, "We sent in a request, and it was disapproved." If something is not done, as, for instance, a building which is out of repair, and the question is asked, "Why has not this been done?"—they can answer, "The Department did not approve the expenditure." In other words, those men could get out from under every time by saying they had a letter that told them to do or not to do a certain thing. As a result we found maladministration and loose administration.

In the Indian service they brought me in a certain case, moneys on hand several hundred thousand dollars in loose checks, belonging to various Indians that had not been checked up. I said, "What record have you?" They answered, "No record; we carry them in this box." I asked, "How do you know these checks are good or not?" They would answer, "These are the orders we have from Washington." That was the way; the responsibility had not been placed on their shoulders to see to it that things were properly handled.

We have changed entirely that system and put these men under greater bonds, and notified them that they are responsible, and not we here, for the conduct of their offices. We check them up the plan of inspection, and it is a perfectly simple one, and similar to that which is carried out in every great business corporation or railroad.

Mr. TAWNEY. Don't you think, Mr. Garfield, that your plan affords the opportunity for extravagance, if not illegal expenditures, more

than the old plan, provided the office here in Washington under the old plan discharged its duties properly?

Sec. GARFIELD. I think not, Mr. Tawney.

Mr. TAWNEY. You practically confer upon the subordinates the power and authority of initiating expenditures.

LIMITATION OF OPEN PURCHASES IN INDIAN SERVICE.

Secretary GARFIELD. Pardon me: I do not want to give that impression. What I mean is this, that within the authority laid down by the act of Congress authorizing certain expenditures, limited in amount by the Treasury regulations as to how those expenditures must be made, the individual officer in the field takes the initiative under that authority. For example, in the Indian Office we limit to \$500 the expenditures that may be made without the direct authority of the Secretary of the Interior in each individual instance. Any matters above that come to us for decision and direction; so that it is fixing an arbitrary amount which can be expended without direct authority from the Secretary. The amount formerly was \$100. That was the amount when I came in. I raised it to \$500.

To show you, Mr. Tawney, how the other system worked, even where it was carried on with the greatest expedition, I will cite an instance which was not an unusual one. In December the superintendent of one of the schools called for the right to purchase a stove which cost finally \$7. By pursuing the old policy of getting the necessary authority from Washington, through the Indian Agent first and then the Indian Office and then the Secretary, he got his stove in May following; and there was no undue delay, either, in any one of the bureaus transmitting the request.

Mr. TAWNEY. When was the application made?

Secretary GARFIELD. In December. The final entry of the superintendent concerning that case was amusing. He said, "The stove has come, and so has May. I do not need it any longer."

Mr. TAWNEY. Under your new plan what would have been necessary for him to do to have obtained that stove more quickly?

Secretary GARFIELD. He would have gone out and obtained bids from the local dealers and bought the stove, and sent in his vouchers at the end of the month.

Mr. LIVINGSTON. And if he had done a wrong thing, he was accountable on his bond?

Secretary GARFIELD. Yes; he was accountable on his bond.

Mr. LIVINGSTON. Have they made any mistakes which you have found it necessary to collect on?

Secretary GARFIELD. We have, but I understand not since I have been there, but I am told they had collected on bonds. We require corporate suretyship on bonds. It relieves us of any difficulty of dealing with individuals.

Mr. BRICK. I do not clearly see how you will find out all the time whether he has done the wrong thing or not in these expenditures.

Secretary GARFIELD. That would be found out the same as any other case by the inspector going to the Indian school and checking up his property account. The moment an Indian officer in the field is appointed, he gives a receipt to his predecessor for the property on hand

in the ordinary form. When the inspector goes to that office he checks over his accounts and sees what his cash book and check-book show; he examines the property and makes a report as to what the facts are.

Mr. TAWNEY. Now, Mr. Secretary, we have had some some experience with the reorganization of Departments, notably the Postoffice Department, in the beginning of the last Congress. Up to that time the Postoffice Department had in force almost identically the same policy that you now propose inaugurating in the Department of the Interior, and they found that purchases made in this way by responsible parties, or by the subordinates, were leading to unnecessary extravagance, and the Committee appointed to investigate the matter recommended the establishment or creation of a purchasing agency in the Postoffice Department for the purchase of all supplies and property which that Department purchased, and on recommendations made to the Committee on Postoffice and Post Roads authority was given for the organization of a purchasing agent's office that would have complete control in the matter of making all purchases in the Department. Now is it not a fact that the success of your proposed plan will depend almost wholly upon administration, and that if the time should come when we were to have a new Secretary of the Interior and new heads of bureaus under him who were not as competent administrative officers as those who now occupy that position, there would be great danger of extravagant expenditures in consequence of the authority which is given to the subordinates all through your Department in the matter of making purchases?

Secretary GARFIELD. I think you are quite right, Mr. Tawney, and I have given a misapprehension to your mind by not more fully explaining the kind of supplies. In the Indian Office all the supplies are purchased in accordance with the act of Congress—and it is a very wise one—through a general purchasing agency, and we have these stores established at great central points, like New York and Chicago. All those matters that I have referred to are merely minor details: what might be termed the exigency supplies, that come out of the ordinary course.

Mr. TAWNEY. Could you give us an approximate estimate of the aggregate purchases that have been made for these exigency supplies under your policy?

Secretary GARFIELD. I can give it to you, but I haven't got it in my head. Mr. Leupp will give you that exactly.

Mr. TAWNEY. This applies only to the Indian Bureau?

Secretary GARFIELD. Yes, only to the Indian Bureau. In the Land Office a totally different system applies.

Mr. TAWNEY. It applies only to the Indian Bureau?

Secretary GARFIELD. Yes, and in connection with the general law which requires all particular supplies to be purchased under contracts, and these general storehouses are established in Chicago and New York for that purpose, and all the general supplies are issued from them to the agents.

Mr. TAWNEY. Does not the law require in all Departments advertising for bids where the purchases exceed \$100, with the exception, perhaps, of the War Department?

Secretary GARFIELD. My impression is that that is true.

Mr. TAWNEY. That limit has been raised to \$300 in the War Department. Is not that a fact, Mr. Courts?

Mr. COURTS. The general law requires advertisement and bids in the case of all purchases, no matter how small, except in case of emergency, and in some branches of the War and Navy Departments where open market purchases are permitted in sums not exceeding \$100 or possibly \$250.

Secretary GARFIELD. If it requires advertisement, the advertisement will be made by the local officer, rather than by the Secretary. Then this same plan is in vogue in regard to the Reclamation Service, but it has always been done in that way. They are all under contract there, absolutely under contract.

Mr. TAWNEY. What, under your plan, would become of this provision in the current Sundry Civil bill, providing that no expenses chargeable to the Government shall be incurred by Registers and Receivers in the conduct of local land offices except upon specific authorization by the Commissioner of the General Land Office?

Secretary GARFIELD. There is no change whatever in that, and whenever the authority of the Commissioner or Secretary is required by law, of course it is carried out. It makes no attempted change of any provision of law or any evasion of that by regulation. None of these regulations apply where authority is given to the head of Department, alone, and I have made no change in the fiscal relations of the Department and its bureaus without full conference with the Treasury officials, the Auditor and Comptroller, to the end that every safeguard which the Treasury thinks necessary is placed around the handling of the public funds. I think, as I told you on Saturday, that I requested the Secretary of the Treasury, and he directed last year that Mr. Person, the Auditor, go all through the West and check up the service of the Interior Department, and as a result of that work we have had very great help from him in the modification of certain of the regulations and the imposition of further safeguards upon the expenditure of the public money, so that none of these regulations affecting the receipt or expenditure of the public money has been or will be put into effect without the concurrence of the Treasury officials.

Mr. BINGHAM. No attempt has been made to change your existing financial condition?

RECEIPT OF PUBLIC MONIES.

Secretary GARFIELD. No. Upon that question of the receipt of public money, Mr. Tawney, I find very great difficulty, and I have not by any means yet worked it out to such an extent as to devise a complete plan for the proper accounting of the receipts of the public money, and I am at present working with the Treasury officials on that subject. The money is received in any sorts of ways by the Indian Office and the Land Office and the Patent Office and the Bureau of Public Documents. It is a very unsatisfactory method of attempting to account for these moneys. I have the experts in our own offices at work upon that now, and we have in view a plan that will make possible a more efficient and safer handling and accounting for receipts. Mr. Ballinger has taken that up in connection with the General Land Office, and he will explain that to you, as to what has been done there in regard to those funds. None of these things, however, affects the divisional arrangement, because the divisional officers were absolutely

no help in that matter. They did not afford the least protection either to the Secretary or to the bureaus in those matters.

Mr. TAWNEY. Here is what this Committee is confronted with: Your responsibility for this proposed change will end with your going out of the office of Secretary some day, but the responsibility of Congress will continue as long as the policy or plan of organization continues, and it is therefore of the utmost importance that this Committee should be first, thoroughly convinced of the advantages of the change before making a favorable report. That is the reason we are interested in getting at the details.

Secretary GARFIELD. You are quite right, and I am delighted to have it done, because, as I have said to you and other Members, I can get an enormous amount of help from you gentlemen who have had this experience of what has happened in other Departments by conferences such as we have had these two days in thrashing out these problems. I have taken hold first of the matters that seemed most clear, where we could make a change. Other reports and suggestions have been made which I have set aside so that we could see more carefully where we were coming out.

REVIEW OF GENERAL LAND OFFICE BUSINESS.

Mr. LIVINGSTON. Does the review in the Commissioner's Office of the General Land Office business take place before it goes to the Attorney General's office?

Secretary GARFIELD. It goes from the Board of Law Review to the Commissioner, and from the Commissioner over to the Attorney General's office, and after that it comes to the Secretary's office.

Mr. BINGHAM. That is entirely in your power without additional legislation?

Secretary GARFIELD. Without additional legislation. There is a difference, too, in the handling of these general administrative problems and in the handling of the funds. The two things almost touch elbows, but very often they may be widely apart. In the care of the public funds and the expenditures, these regulations are of a different character, of course, from those affecting the study of the problems involved, and in all those matters they go through the Treasury forms. This does not in any way interfere with, or could not interfere with, the official audit of the Auditor for the Interior Department in the Treasury, and I have not only called Mr. Pierson into conference with our bureau chiefs for working out the regulations, but he sends me each month a statement of exactly how the work of the Interior Department stands on his books; the number of claims presented, the number adjusted, and the number left over; and if I find in that report a delay in handling claims, I immediately call the fact to the attention of the head of the office where the delay has occurred, and in that way we have our accounts for the current quarter up to date, instead of having them a year behind; thus we check up quickly if there is any misapprehension or misconception of the law.

Mr. TAWNEY. Now, Mr. Secretary, I want to ask you another question: In your judgment, with the improved methods of administration that have been adopted since you have come to the head of the Department of the Interior, by yourself and by your bureau chiefs

could you have worked out the same results and economies and expedition and efficiency that you have accomplished, or which you think you will have accomplished, by the change in your organization?

DELAYS DUE TO THE DIVISIONAL SYSTEM.

Secretary GARFIELD. If we had had the old organization, it would have been simply impossible to have done what we have done. The divisional arrangement was such that the mere machinery of it made it impossible to handle the business. I found that with the other system I spent many hours a day doing nothing but signing absolutely useless papers, and I say that decidedly.

Mr. TAWNEY. You do not mean useless papers, but you mean papers that your subordinates could just as well have disposed of, had the responsibility rested with them and had they been made accountable to the head of the Department?

Secretary GARFIELD. Yes. I should rather have used the words "useless signatures on papers," because it was signing papers which it was absolutely impossible for me, or impossible for the division officer making the report, to have any information on that was of value on the question.

To show the change that immediately took effect after this abolition of the divisions, I may say that—

Mr. LIVINGSTON. Do I understand you to say this, in substance, that the pith of the whole thing is this: That as the "subs," the chiefs of division and others, know all about it and you can not know, you propose to make them responsible for what they do know?

Secretary GARFIELD. Yes; the heads of the offices.

Mr. BRICK. You have thought it all over and given attention to it, and in your opinion would a weak Secretary facilitate a weaker administration under your system than under the old?

CHECKS AND SAFEGUARDS PROVIDED.

Secretary GARFIELD. I think not. I think under the old system a Secretary who, either from inclination or lack of knowledge, did not pay attention to the work, would be very much worse off than under the proposed system; and there is no letting down under this proposed system in the safeguards which should be thrown around the expenditure of the public funds.

Mr. BRICK. Do you have as many checks upon incompetency and corruption under the new system as you had under the old?

Secretary GARFIELD. We have more checks, because the checks involve the big things that were not looked out for under the old system.

Mr. BRICK. You think it would be discovered more quickly, and that less injury to the Government would result under your system?

Secretary GARFIELD. Yes; it would be more quickly discovered.

Mr. BINGHAM. You say you have been operating under your new system with your present force for about six months?

Secretary GARFIELD. Yes, since the last of July.

Mr. BINGHAM. The reorganizations you have made have been simply by your act, moderated by existing law or under existing law?

Secretary GARFIELD. Yes, under existing law.

Mr. BINGHAM. In that reorganization you have had occasion to drop a lot of men?

Secretary GARFIELD. Yes, a number of employees.

Mr. BINGHAM. These changes of law which you set forth in your estimate, if allowed, will carry out what you have done, will they, and if so, to what extent?

Secretary GARFIELD. By a rearrangement of the appropriations it will make it more easy for me to perfect the organization I have started, and it does not require, with the single exception of the abolition of the chief clerk's position, any change of the existing laws, and can be handled by the methods of procedure here in operation through the appropriation bill.

REDUCTIONS OF FORCE PROPOSED.

Mr. BINGHAM. Assuming that we give you, Mr. Secretary, what you desire, we will meet a great many objections on the floor as to the change of statute, because you have directly indicated new distinctive terms and distinctive lines of duty for the large subordinate force. But assuming that we gave you wholly what you ask for, will you drop many of your present force at the end of the present fiscal year to carry out your reorganized office under the estimates here in the Book of Estimates?

Secretary GARFIELD. I believe that there will be some reductions. But I have hesitated to say that, because I do not want to promise any more than I can carry out. In talking with some of the gentlemen of the Department on Saturday afternoon, after leaving here, they said, "We are very sure you will be able to effect greater reductions than you have indicated." I said, "I do not want to say that to the Committee or to Congress, or make a promise that I can not carry out." But I believe there will be a greater reduction made than is indicated.

Mr. BINGHAM. You are going to give us a distinct exhibit of your expedition and your qualified duplication, as well as a distinct exhibit of your reduction of expenditures? This you are going to give briefly and in a forcible form?

Secretary GARFIELD. Yes.

Mr. BINGHAM. The argument that will have to carry through your organization, whatever we do in Committee, will be that it does consummate your result and does appeal to Congress, and so far as its present condition as to money is concerned, does make a reduction. That will be the forcible argument, and your details you must carry out yourself?

Secretary GARFIELD. Yes, sir.

REARRANGEMENT OF LABOR FORCE (AGAIN).

Mr. BINGHAM. Now in this Pension Office labor force, as you call it, outside the Pension Office reorganization, do you control all the additional labor force?

Secretary GARFIELD. Yes.

Mr. BINGHAM. That is the only independent labor force?

Secretary GARFIELD. Yes.

Mr. BINGHAM. In other words, you hold a detachment or body of laborers on assignment, as the needs of the service require, to be detailed just like the detail of an army?

Secretary GARFIELD. Yes.

Mr. LIVINGSTON. I think this Committee, Mr. Secretary, and Congress and the country are much more concerned about your dropping inefficient people than about your dropping numbers. I do not think it makes much difference if you have one man or ten men less, but makes a vast difference, if you have some inefficient men in the field and in your Department, to see that you drop them and put efficient men in their places. The public thinks, when you have dropped five, you have done a big thing. I do not think, if you have dropped fifty, that you have necessarily bettered the service at all. I think the matter of efficiency concerns us and the country far more than the matter of dropping one or two clerks, or anything like that.

Mr. TAWNEY. Nevertheless, Colonel, if he drops 50, or 10, and takes new blood into the service, he necessarily improves the efficiency of the service thereby.

Mr. BRICK. My understanding is that the Secretary has dropped inefficient men more than any other department.

COVERING POSITIONS INTO THE CLASSIFIED SERVICE.

Mr. BINGHAM. Mr. Secretary, without going through this bill page by page, in the selection of your two assistants and your Assistant Attorneys-General, you ask that they be discretionary selections outside of the civil service, the under secretaries to be appointed by the Secretary of the Interior?

Secretary GARFIELD. I want them in the classified service. I put that in so that it would be clear.

Mr. BINGHAM. You ask for no discretion, then, in the selection of subordinate force, except agents, and so forth, other than you now have?

Secretary GARFIELD. Other than I now have.

Mr. BINGHAM. And you do not ask for these to be outside the classified service?

Secretary GARFIELD. No, sir.

Mr. BINGHAM. You make no inroad on the classified service whatever?

Secretary GARFIELD. None whatever. I found that there were in the Department two sets of clerks that were not in the classified service. I have had them all brought in. They were the employees of the Union Indian Agency and the Commission for the Civilized Tribes in the Indian Territory.

Mr. BINGHAM. Largely retaining the same men who are there?

Secretary GARFIELD. Yes, except those who were reported to be efficient. It had been the growth of a number of years, and it was my effort to put every person in the classified service. Mr. Ballinger suggests to me also the case of the copyists in the General Land Office, and I want them to be put in the classified service.

PER DIEM ROLL, COPYISTS, IN GENERAL LAND OFFICE.

Mr. LIVINGSTON. You have got about 70 people on the per diem roll there?

Secretary GARFIELD. Those are all out.

Mr. LIVINGSTON. Do you propose to get new people and put them on the roll?

Secretary GARFIELD. No. The roll expires by operation of law. The work is now completed in the General Land Office. Mr. Balingier will explain to you what we want on the per diem roll. He wants 15 people, I believe.

Mr. BINGHAM. Now, Mr. Secretary, one other question: We are going to meet, of course, the allegation of change of law, which you know is subject to a point of order. As I understand, you have gone over your entire estimates submitted in this bill in each one of your divisions and subdivisions?

Mr. LIVINGSTON. I think, Mr. Chairman, you assume a position that can not be maintained as to the change of law. I understand Mr. Garfield's system is not a change of law.

Secretary GARFIELD. There is no change of law.

Mr. BINGHAM. There will be changes of law when we come to the details in the bill, in various parts of it—

Secretary GARFIELD. No, except perhaps as to the chief clerk.

Mr. TAWNEY. There is this about it, that the law requires the estimates for the various Executive Departments here to be submitted in the form of the current appropriation. To the extent to which these estimates vary from the current appropriation, the estimate is, of course, really in violation of law.

Secretary GARFIELD. I did not know how you handled those matters. I was looking at it from the standpoint of law outside the appropriation bill.

Mr. BINGHAM. You will exhibit to us the points I have stated—expedition, reduction of expense, and better management—as you fill in all the details of your Department?

Secretary GARFIELD. Yes.

Mr. BINGHAM. Is it necessary for us now to adhere right to this Book of Estimates, as you submit it to us, for the consummation of your work, which you claim will bring about your results?

Secretary GARFIELD. When you say "necessary," I say, yes, in one sense.

Mr. BINGHAM. I think you have convinced the Subcommittee, but the Subcommittee has got to go to the general Committee, and I wish you could go to the general Committee and convince them. Then the general Committee must go to the House. In order to give you what you wish, must we adhere right straight through to what you claim is the consistent relation of all the bureaus and divisions of your Department?

Secretary GARFIELD. I think so, indeed.

TWO UNDER SECRETARIES.

Mr. BINGHAM. Suppose some one says, "Two under secretaries are to be appointed at such a fixed compensation in lieu of so and so, at \$3,000." Suppose we cannot give that to you and it is knocked out on a point of order?

Secretary GARFIELD. Then it would be knocking out the central feature of the whole thing.

Mr. BINGHAM. The keystone?

Secretary GARFIELD. Yes. It is a well-considered plan, and if you knock out the central feature it will be difficult or quite impossible to carry out the plan.

REORGANIZATION CAN BE MADE WITHOUT LEGISLATION.

Mr. TAWNEY. Mr. Secretary, it would be impossible, however, to carry out your plan and provide for the labor and mechanical force of the various bureaus of your Department as heretofore by giving the number which you estimate will be necessary in the various bureaus, and then under your general authority you can move them about and transfer them without any express provision of law in any event, so that those features are not essential to the carrying out of your plan. The principal essential would be the organization in your immediate office; the transfer of the chief clerk and the creation of under secretaries, and so on.

Secretary GARFIELD. The other end of it could be handled. The question would be for you to determine where you would make the cut if you restored the old form.

Mr. TAWNEY. We would get your views as to the number to be specifically provided for under the various bureaus, and then of course under your general authority as Secretary you could make that force just as flexible as if it were appropriated immediately for the Secretary's office.

Secretary GARFIELD. Yes; that could be done.

Mr. TAWNEY. It would be just as flexible, if we provided specifically as heretofore, as if we appropriated for them under the control of the office of the Secretary, because you have general authority to move them about wherever you see fit?

Secretary GARFIELD. Yes. I can do that under the authority of the statute which authorizes the Secretary to re-distribute his force.

Mr. BURLESON. Then why can you not submit to us a statement showing where the cuts could be made—

Mr. TAWNEY. Embracing, too, the number of laborers under these various bureaus.

Mr. BRICK. We want to have each bureau in such a shape that we can appropriate for it and compare it from year to year.

Secretary GARFIELD. I will see whether we cannot do that.

GENERAL LAND OFFICE.

STATEMENT OF MR. RICHARD A. BALLINGER, COMMISSIONER, GENERAL LAND OFFICE, ACCOMPANIED BY MR. FRED DENNETT, ASSISTANT COMMISSIONER, AND MR. G. W. CLARVOE, CLERK.

Mr. BRICK. I suggest that Commissioner Ballinger tell us his reasons for these changes, and so on.

Mr. LIVINGSTON. May be he can make a statement of the changes in the field.

REORGANIZATION OF THE FORCE.

Mr. BINGHAM. I see you have increased your force, and I suppose that is in the interest of expedition?

Mr. BALLINGER. We are not, Mr. Chairman, asking for an increase of force, but for an increase of salaries in connection with the men who are required to do the legal work, and who have the legal qualifications. In the division of the work of the office last spring I found that in order to get a systematic and effective organization it was

necessary to change the system and redivide the work; and therefore the Board of Law Review was established as a sort of Board to take care of all contested questions of law that had to be passed upon as they came from the chiefs of divisions; for instance, questions affecting riparian rights. This Bureau handles a very broad scope of legal questions that are involved in all matters; every character of legal question that may arise under the scope of the law. For instance, in the surveying division we have questions of surveying lands and riparian rights that sometimes become very difficult of solution. We have questions in the Board of Law Review relative to heirship, and private land claims, and surveys of boundaries, and questions affecting agency; and almost every point that you could bring up in the courts of law will at some time or other be disposed of by those lawyers. Of course that passes through the chiefs of divisions in the work as it is assigned to them; for instance, in the contests of claims, or through private land claims, or grants of rights of way, or easements for one thing or another. Then there is the Reclamation Service; and as to the Forestry Service, the proclamations pass through our bureau. This chart (submitting chart) shows the distribution of everything that passes through the Commissioner and Assistant Commissioner. The chief clerk has administrative or clerical work. Then under the Division of Mail and Files, through which everything comes and is distributed; then the Division of Accounts, and the tract book division, which carries the description of all the property of the public domain. We took this Division out of the Division of Public Lands, which was topheavy, and which had more clerks than could be properly handled under one chief. Then the work of public surveys is in another division, and drafting is another division, and the division called the Recorder's division. The Recorder is a Presidential appointee, and superintends the issuance of patents. We are now recording patents by the typewritten method instead of by longhand.

Mr. TAWNEY. That could have been done years ago if the head of the Department had ordered it?

Mr. BALLINGER. Yes, ever since typewriters were available.

Mr. TAWNEY. It was through neglect of administrative action?

Mr. BALLINGER. It was the law of 1896 which provided that patents might be written by typewriters or other mechanical devices. Prior to that time it was a legal question as to whether or not they could be written other than in longhand.

Mr. TAWNEY. There was no statute requiring the copying of letters in longhand, was there?

Mr. BALLINGER. No.

Mr. TAWNEY. A good administrative officer would not have permitted the old system?

Mr. BALLINGER. We had something like 75 people in the Recorder's division when we took charge of the office. We have now 46 in that division. There are 11 or 12 typewriters, typewriter operators, who do the entire work now of writing the patents and recording them, where it took about 40 to do the work before; and patents are now in very much better form and more legible. There was difficulty in reading records when a certified copy of a patent was called for. For example, to determine whether the name of "Peterson" ended in "sen" or "son," and so on.

Mr. TAWNEY. What became of the people who were in this division whose services were dispensed with in consequence of the change in the manner of writing and recording patents?

Mr. BALLINGER. Some of them were transferred to the posting divisions, working upon the tract books. A few of them were transferred to the public lands division.

Mr. TAWNEY. Were their services actually necessary in these several divisions to which they were transferred, or were they transferred because it was not a pleasant matter to separate them from the service?

Mr. BALLINGER. The work was behind in the divisions to which they were transferred, and their services were immediately available and necessary. Some of them were removed from the service and in their places typewriter operators and stenographers were taken on, in order to get rid of writing letters by longhand, and in order to have stenographers and typewriters for the divisions so that letters could be prepared in modern and business-like form.

CARE OF PUBLIC FUNDS.

Now, I have given a vast amount of personal time and attention to the consideration of these matters, and we have put into force practically a new redivision of this work after a year's study. It is the development of an attempt to get a more perfect system of accounting in the field as well as in the general office, so that we can have reasonable and proper checks upon the funds that come into the office and the disbursement of all funds. There are not to-day proper checks in the office upon those questions; as, for instance, the receiving clerk of the General Land Office has not heretofore been under the direct supervision of any chief. His work is checked up by the Auditor of the Department in the Treasury, and it is the only check had upon the receipts coming through his office. As to the receipts coming through the Mail and File Division, we have not had until now a clean-cut check upon the money coming therefrom. You see, remittances come in various small amounts, \$1.60 in a money order, and in different ways, possibly in postage stamps, and so on. Now the arrangement is to put the receiving clerk under the Accounts Division, where he properly belongs, and have a system and check upon the moneys as received through the Mail and Files; an agent or representative of the Accounts Division being present when the mail is opened, and taking account of everything received in Mail and Files that bears any money or remittance of any kind whatever, which is readily transmitted to the Accounts Division and there noted. The old system does not carry that out with the carefulness and accuracy that is necessary in a place where last year we handled over eleven million dollars.

Mr. TAWNEY. It was mostly in small amounts, or was it in large amounts?

Mr. BALLINGER. Many small amounts, the bulk of receipts is in payment for public lands transmitted directly to the Treasury. But the amounts that come to this receiving clerk are mostly small amounts for certified copies and things like that, which do not aggregate any very great sums.

Now all this work is shown, Mr. Chairman, upon this chart [indicating]. All that passes through this line is more or less connected

with the legal disposition of the questions that come before this bureau. In cases of homestead entries those papers have to be passed upon, whether there is a contest or not, to see that entrymen have complied with the law. Then there are private land claims, and warrants, and scrip that has been out for some years, and soldiers' additional homestead claims. All those require legal scrutiny. Then we have withdrawals of land and allowance of homesteads under the reclamation projects, and in that division we keep the accounting for the entire Reclamation Service. Under the Reclamation act all the annual installments for the acquisition of land taken under the projects are accounted for through the General Land Office by the local land officers. We have the desert land claims, the timber and stone claims, the public and private grants, and what are known as the isolated tracts.

Now probably the most important division, so far as the property values are concerned that pass through the general office is what is known as the Mineral Division. For instance, we tried last spring a case involving a good many million dollars of property value in connection with the town site of Leadville, Colo., involving what is called a placer mining claim in the town site of Leadville; and during the year we have had two or three cases involving property interests of great value coming through this division. The action of the Commissioner of the General Land Office depending upon the action of the chief of the division on the findings of fact in these cases becomes practically final, for the courts as a rule do not disturb the findings of our office. In one of these cases I know the testimony alone covered something like 2,300 pages of typewritten matter. That all had to be gone through and adjudicated in our office. I am citing these facts to show the importance of having men of sufficient legal ability and education to intelligently handle this class of business, which, as I stated in my annual report, quoting passages from previous commissioners, like Commissioner Williamson, on page 7 of my report, show the importance of having the compensation of this class of men, who have these responsibilities, brought up to a proper standard. [Reads:]

Laws have multiplied. No session of Congress closes without new and varied legislation involving public lands. Lands are of greater value than formerly, and as the country is settled and filled up their increase in value will continue, and with it contests by conflicting claimants will be more numerous and more vigorously prosecuted. The existing cases, which have been in controversy and pending for years, are complicated and difficult, requiring for their correct disposition the *best legal talent*. The mineral lands are inviting the capital and enterprise of the country for their development, and in these cases, not infrequently involving millions of dollars in value and in which the best legal talent of the country is employed as counsel, manifestly should be examined and decided by able lawyers; and the controversies growing out of conflicting claims of every character all render it simply beyond reasonable question by any sensible person that a high standard of ability in those who decide these cases, involving the homes and fortunes of individuals no less than the public interest dependent upon peace of title and the sound administration of law, is imperatively demanded. * * * The *necessity* of this Office is able men of legal education and mature judgment, and without them the administration of its affairs must be measurably defective and discreditable.

I will not read further. It is all set out in the report. Many of the questions that come up involve important legal points, questions of law which require the best legal talent to decide; and the decision, except as it may be reviewed in the Secretary's office on appeal from

the General Land Office, becomes practically final upon the facts as found. The Government, in my estimation, and the public at large are entitled to the service of a class of men who are better paid for handling work of this kind, and therefore I have recommended that there be slight increases in the salaries of the chiefs of divisions and slight increases in the compensation of certain grades, which is along the line, as I understand from Mr. Dennett, Asst. Commissioner of the Keep Commission's recommendations as to salaries, so that we can get and retain men who are competent to pass upon this work.

LAW EXAMINERS.

Mr. BINGHAM. Now, right in that connection, if you will allow me, in note (a) you say [reads]:

NOTE (a).—The foregoing 70 law examiners, are in lieu of 3 inspectors of surveyors-general and district land offices, at \$2,000 each, 10 clerks of class four, 18 clerks of class three, 19 clerks of class two, 19 clerks of class one, and librarian, at \$1,000, an increase of \$20,760. These changes in grade are a simplification of titles and represent the actual work and proper compensation of the employees concerned. They leave the number of clerks and copyists, which here immediately follow, and which include 1 clerk of class four, 4 of class three, 2 of class two, 3 of class one, and 3 at \$1,000 each, to be transferred from the Secretary's and Attorney-General's offices.

You are operating now upon this so-called reorganization, but are those 70 men that you call "law examiners" now in your office doing this law work?

Mr. BALLINGER. Yes.

Mr. BINGHAM. Then, in other words, you have the same men doing the same work, and you only seek to increase their compensation, and that to the extent of \$20,760?

Mr. BALLINGER. Yes.

Mr. TAWNEY. And change the designation also?

Mr. BALLINGER. Yes; change the designation. I would not be willing to say that the same men would be employed if we could get more compensation for that class of work, that is, throughout the entire number. I feel this, that the bureau is entitled in some measure to better men than some we have, and we can not get them on account of the present classification.

Mr. TAWNEY. At more compensation?

Mr. BALLINGER. Yes. To illustrate, I advanced a man to the position of chief of the Contest Division last Spring. He was drawing \$1,600. He was promoted to a position at \$2,000 as chief of that division. He is a lawyer and is a man of fine executive power, and he has brought the division work up to date, current, and has taken hold of the field work, attempting to make that current also. That man, in my estimation, to the public and to the office is worth four or five thousand dollars a year, and I had hardly gotten him into that position and his work understood when another Department of the Government offered him \$2,500.

Mr. BINGHAM. These are all law examiners. Will not every subordinate have to be a duly authorized lawyer?

Mr. BALLINGER. Yes, sir; to perform the class of work required to be passed upon by these 70 men.

Mr. BINGHAM. You would not regard it as absolutely necessary to select lawyers on these big salaries?

MR. BALLINGER. I do not think they are necessarily large salaries. I would require that they have a legal education and that they be graduated from some legal institution; that is, in the lower grades. In the higher grades of legal examination we would require that the man had some practical experience as well as legal education. As it stands today, we have in some of these positions a few men who are not lawyers at all and who never had any legal experience. But there is this to be said, that through long experience in the office they have gained practical knowledge of the particular laws which come under their observation.

MR. BINGHAM. Would they have practical knowledge?

MR. BALLINGER. Yes, sir. We have, as Mr. Dennett says to me, over 130 men in the bureau who have had legal education and have been admitted to the practice.

MR. BINGHAM. How many have you in the sum total?

MR. BALLINGER. Four hundred and thirty-seven.

MR. BINGHAM. And the great body of these men are with law educations, and they are in the clerical force?

MR. DENNETT. Many of them have had practice, some of them were only graduates of the law schools.

26 CLERKS OF CLASS 4.

MR. TAWNEY. Their designation is clerks at \$1,800.

MR. DENNETT. Yes, sir.

MR. BALLINGER. The proposed rearrangement or redistribution of work is to have certain responsible heads. For instance, on this work that has a legal cast, which we call legal and administrative, under the schedule of reorganization the work must pass through this administrative officer and to the Commissioner and Assistant Commissioner. In other words, he is supervising these various divisions. There is such a tremendous volume of work and so much detail work that must come to the Commissioner or to the Assistant Commissioner that he can not give his personal attention to the administration of the details of that office, and it is important in my judgment to have men of legal ability and training in the work of the office and in the various divisions, who can supervise for the Commissioner and Assistant Commissioner all work.

MR. BRICK. You have that now?

MR. BALLINGER. Yes, to a limited extent. We must have an increase of salary in order to keep the men necessary to do this class of work.

For example, in the matter of the inspection of local land offices and offices of Surveyors-General we are seeking to cut off the Inspectors heretofore used for this purpose (three in number), and to substitute a more practical method of inspection through the Chiefs of the Field Divisions who are located in the various public land states. In this connection, I wish to call your attention to the importance of having men of exceptional administrative, as well as legal, ability, to supervise these field officers, which will include not only the inspection of the local land offices and offices of Surveyors-General, but, also, the conduct of the special agents in the field and the important work which they have to carry on in connection with the disposition of the public lands. Of course, all of this work passes through the

Commissioner and Assistant Commissioner, but the work of this Division involves the question of trespass upon the public lands, the disposition of protests against violations of the public land laws under all of their various phases, and generally, questions relating to frauds upon the Government rights, all of which have to pass through this Division and under the direction of its Chief. This office is particularly fortunate in having at the present time a man of exceptional ability as Chief of this Division but who can not be retained at the present salary and a competent substitute for whom, at the present salary, could not probably be obtained.

Mr. BRICK. What do you call him now?

Mr. BALLINGER. Chief of the Field Division. It requires a man of exceptionally good legal ability to handle that work. I mention that to show that it is not confined purely to the law division—the legal work that comes into our hands. The inspections of land offices are now made by the chiefs of our field divisions, and the reports come to this division in our office.

Mr. BRICK. You say you have 437 people in your force. How much does your estimate now increase that in number? I figure it to be \$28,000 in salaries, but how much is that in force?

Mr. BALLINGER. It increases to this extent, that some of the persons were assigned from the Secretary's office over to the General Land Office, which are covered into this estimate.

Mr. BRICK. How much does that make?

Mr. BALLINGER. Twelve clerks.

Mr. BRICK. Is that sum total—12 clerks?

Mr. DENNETT. Twelve clerks are detailed from the Secretary's office, and two G. L. O. clerks are detailed to the Secretary's office, and this brings the total amount or number to 437. Our total force at present is 427. Those clerks transferred used to be in the Secretary's divisions that he spoke of.

Mr. TAWNEY. These ten clerks are taken from one of the intermediate divisions in the old organization?

Mr. DENNETT. Yes, sir. The work is done in our office, more or less.

Mr. LIVINGSTON. They are getting the same salary now?

Mr. DENNETT. Yes.

Mr. BRICK. And the total increase is \$28,000 over last year?

Mr. TAWNEY. Including the increase of salary and everything?

Mr. DENNETT. I think we only ask for \$27,000.

Mr. BURLESON. The increase is occasioned by their transfer from the Secretary's office to yours at practically the same salary?

Mr. BALLINGER. That would be part of the item. The other part is increase of salaries in certain grades.

DISCHARGES FROM THE SERVICE.

I would say, with reference to the organization in our accounting system and general work, that there has been an entire reorganization of our field force. It is redistricted, and we have disposed of men who do not stand upon merit and efficiency. So far as the general office is concerned, if we were reorganizing and starting in to

pick up these people as an original proposition, I think perhaps there are some of them that I would not have in the service. At the same time I am not in a position to say that they must go. They are all useful and all doing work. The matter of reductions and the matter of discharges has been acted upon entirely on the ground of merit, and where there was a clerk who is not efficient for any purpose and we felt he was not entitled to remain in the service, I have recommended his discharge.

Mr. BURLISON. As a result of these recommendations how many have been separated entirely from the public service? I do not mean transfers and hiding them away somewhere else, but absolute separations?

Mr. BALLINGER. Those would number, I suppose, 40; and the total number of changes, in demotions and promotions and discharges together, would amount to over 250. Those are our recent figures.

Mr. TAWNEY. You are speaking of the field force?

Mr. BALLINGER. I am speaking of this office here. There have been a number of demotions where clerks were drawing what I considered as more than they were earning.

Mr. BURLISON. You speak of certain people in the field force who were not there because of their merit. How many are there of them? What percentage of discharges have you made there?

Mr. BALLINGER. Something like 8 or 10 in the field service.

Mr. BURLISON. You mean 8 or 10 per cent, or 8 or 10 persons?

Mr. BALLINGER. Persons. Probably more than that. Some of them have been furloughed.

REORGANIZATION OF FIELD FORCE.

Mr. TAWNEY. As a result of the reorganization of your field force, how much have you reduced the cost of that service to the Government?

Mr. BALLINGER. We have not reduced the cost of the service.

Mr. TAWNEY. I mean in the aggregate?

Mr. BALLINGER. So far as the special agency force is concerned, during the last summer we have been using as many men as we could possibly use under the appropriation. The summer is the time of investigation of complaints, and during the winter season we are trying cases set for hearing. We are not using as many in the winter time as in the summer. We are making up what we have over-run in the summer in the appropriation.

Mr. TAWNEY. What condition did you find in the local land offices, as to their work being current or not being current?

Mr. BALLINGER. In some offices they are many months behind in their contest work.

CONTEST CASES PENDING.

Mr. TAWNEY. Can you give us a statement of the number of contests pending and undetermined in these offices?

Mr. BALLINGER. I have a tabulation of it.

Mr. TAWNEY. I would like to get that in the record. That is the reason why I asked it.

Mr. BALLINGER. On last June, the last detailed report that has been made up in form from the local offices, the following cases were

reported as pending: In the Montgomery, Alabama, office 50 contests were pending; in the Phoenix office, Arizona, 454. In Arkansas there were 82, in four local offices. In California there appeared to be 268 cases, so far as the contests undisposed of were concerned.

Mr. LIVINGSTON. What was it in Louisiana?

Mr. BALLINGER. In Louisiana the number of private contests undisposed of was 60; in Colorado there were something like 200 pending. No, there were over 598 in the various offices.

Mr. TAWNEY. How about North Dakota?

Mr. BALLINGER. That is probably in a worse situation. In North Dakota, in the Williston office alone, there were 2,600 contests pending in which no notices had been issued.

Mr. TAWNEY. To the entrymen?

Mr. BALLINGER. Yes, setting those for hearing.

In the Minot office there were 574 cases pending July 1, 1907, upon which notices had issued but which had not been heard in addition to 132 cases on which no notices had issued; 153 had been heard and no decision rendered, a total of 947 private contests. In the Bismarck office on July 1, 1907, there were 191 cases upon which notices had issued but which had not been heard; 48 upon which no notices had issued; 26 which had been heard but no decision rendered, a total of 212 private contests undisposed of. The State of North Dakota showed a total of 1,151 cases upon which notices had issued but which had not been heard; 3,850 upon which no notices had issued; 325 cases had been heard but no decision rendered thereon. These cases were all private contests and no account was taken of Government contests. The tabulated figures further show that during the six months ending June 30, 1907, there had been filed in the State of North Dakota a total of 2,393 contests. These last figures will indicate the rate at which private contests were being filed. It may be stated that but for the fact that detailed help was furnished and the arrearage greatly reduced the number of private contests filed between June 30 and December 31, 1907, would be much larger than for the preceding period.

In New Mexico we had this condition, that in the Clayton office there were 374 contests pending in which no notice had been issued, and in the Territory generally, including the four local land offices, the totals were 395 cases pending upon which no notices had been issued; 72 had been heard and no decision rendered. All of these cases were private and no account was taken of the Government cases. The total number of contests filed in New Mexico for the six months ending June 30, 1907, was 1447.

Mr. TAWNEY. What policy have you adopted now in bringing that work up current?

Mr. BALLINGER. We have detailed from the general office to North Dakota two of our most expert clerks in the Contest Division, who have spent several months at the local offices assisting the local officers to bring their work up current and getting their cases ready for hearing and assisting them in contest cases. Those offices are not yet in good condition. We have likewise assigned to Woodward, Oklahoma, and Alva, Oklahoma, where they were in a congested condition, one of our expert clerks, who brought the Woodward office up to date. We have not sufficient force or money to send men out in that way and still keep our work up here in the office, but wherever we can

assign an expert from the Contest Division to these local offices we do so, to assist them in bringing their work up.' We can not get sufficient expert clerks by hiring men in the field who understand the business to bring up the work in the offices that are in a congested condition. The only practical way is to detail men from the general office who have had years of experience and know how to handle the work. Frequently it occurs that the register and receiver are both new men and have had no training whatever, and their predecessors may have been lax in handling the business; and it results that the offices have fallen into a negligent way of transacting the business, and it requires constant hammering and the detail of men from the general office to put those local offices in good condition.

Mr. LIVINGSTON. How do you account for the inefficiency in these local land offices? Is it by a change of persons through political influence, or what?

Mr. BALLINGER. I will be frank to say to you that I believe that the political system is responsible for it; appointing these men responsive to political recommendations, rather than through civil service or some other method that makes them directly responsible to the Secretary of the Interior or to the superiors under whom they are working.

Mr. LIVINGSTON. Then it will do no good to bring them up current unless that system is altered?

Mr. BALLINGER. Only in this way, that when we get them up current and the thing begins to fall behind we can detail men from the general office from time to time to straighten them up again.

NEW SYSTEM OF ACCOUNTING.

Now, so far as the general force in the General Land Office is concerned, and in the surveyor-generals' offices, there have been a great many changes, and numbers of persons were discharged who were found to be inefficient. I was speaking of the special agency force, particularly, in answering the question of the Chairman of the Committee, Mr. Tawney, a while ago. I am just on the point of introducing into the local land offices throughout the country on entirely new system of accounting, whereby we can have a more accurate check on their work and their work can thereby be simplified 50 per cent. They have a vast number of unnecessary requirements in keeping their accounts and records, both in the surveyor-generals' and the local land offices. The result is that we have not perfect checks upon their own records.

Mr. BURLISON. Will the inauguration of the new system result in any actual saving?

Mr. BALLINGER. It will result in a saving of the clerical force which they will have to employ, and it will result in less work in our office in time; perhaps not immediately, so far as the field force is concerned, because we have inherited a vast number of withdrawals and protests which have to be cleared up by the special agency division.

Mr. BINGHAM. Is the condition worse now than it has been heretofore in the local land offices?

Mr. BALLINGER. I think it is better now than it has been for several years past.

Mr. BINGHAM. You have had long experience?

Mr. BALLINGER. Only one year.

Mr. BINGHAM. Not as head, but in the office?

Mr. BALLINGER. No, sir. I am a practicing attorney, and have never been connected with the land service except for this one year. My idea is to get the land service into some kind of business form and organization, so that it will go on and be effectual in handling the Government business.

Mr. BINGHAM. Taking your work as a whole, is it pretty well up?

Mr. BALLINGER. Last March the office was behind from one to two months to one and one-half years. Now I think I can say it is practically current in every division.

Mr. BINGHAM. That is by virtue of your changes and reorganization?

Mr. BALLINGER. It is by reason of a simplification of work and the cutting out unnecessary details. At the same time we have been protecting the work as to its character and efficiency. For instance, take the decisions that go out from the office in contested cases, which involve a multitude and variety of decisions: We have endeavored to have those decisions all go out the same, as affecting a certain class of facts, rather than to have four or five different decisions on the same general state of facts; and that has been accomplished through having this Board of Law Review, which passes uniformly upon the same facts.

Mr. LIVINGSTON. Has the Secretary taken any steps to protect those local land offices from being filled with inefficient men?

Mr. BALLINGER. We have our reports from each of our inspectors showing from time to time how these men are attending to their business. The chief of the field division in each State inspects the office, and reports on the personnel of that office; and, as occurred recently, where the receiver of an office was spending more time upon his local town sites and the disposition of his real estate than he was in attending to the affairs of the office, the Secretary, through my request, wrote him a letter to the effect that the Secretary insisted upon his giving his entire time to the duties of his office. It is only in that corrective way we can do anything, except, of course, the removal of these men when their services become altogether inefficient, or when they are guilty of mal-administration. It is only by removal, which brings up political questions, that the men can be gotten rid of.

Mr. BRICK. What do you think with respect to the future about bringing this matter up to date with the prospective force?

Mr. BALLINGER. The work has been systematized with a view to maintaining a uniformity of treatment of the same character of cases.

Mr. BRICK. Do you hope to bring all the work closely up to date?

Mr. BALLINGER. It has been all that this force could do to bring it as it is now.

Mr. BRICK. What is there in this bill, Mr. Ballinger, if there is anything, that you have recommended to bring this matter up to date?

Mr. BURLESON. That is the purpose of his reorganization.

Mr. BALLINGER. We can not carry out this scheme with any degree of satisfaction or advantage unless we have more salaries for the character of men who have got to handle the business.

Mr. BRICK. You do not need more men, but you think you need higher salaries?

Mr. BALLINGER. Yes.

Mr. BURLISON. You think it will make them more efficient to increase the pay of those who are there?

Mr. BALLINGER. Yes; I am sure of it. If they were working for me I am sure they would be worth more than they are now getting.

LAW EXAMINERS (AGAIN).

Mr. BRICK. Here are some new items; for instance, ten law examiners. Those are added force, are they?

Mr. BALLINGER. No, sir; that is a reclassification of the present force.

Mr. BRICK. Heretofore they have been simply called clerks?

Mr. BALLINGER. Yes, sir.

Mr. BRICK. Now they are called law examiners and you raise their salaries. What is the necessity of that?

Mr. BALLINGER. You can not keep an efficient man in the service at \$1,800 if he is worth \$2,400 or \$2,500. He is not going to stay there. We have been losing the best material we have because of the fact that they can do better outside.

Mr. BRICK. You reduce the 37 clerks of class 4 to 26 clerks; they are put in as law examiners?

Mr. BALLINGER. Yes, sir.

Mr. BRICK. You have two law clerks at \$2,200 each, and you insert four law reviewers at \$2,700 each. That does not add to the force?

Mr. BALLINGER. It does not add any more men to the force, but it increases their compensation.

Mr. BRICK. You have two chiefs of division at \$2,400 each and you insert "chief of field service, \$3,000." Will you explain that?

Mr. BALLINGER. We have the same chiefs now, but they would get a little more salary. Instead of getting \$2,400 as chief of field service, he would get \$3,000. It does not add any more chiefs of division, but it gives them better compensation for the services.

As you gentlemen may or may possibly not understand, it is a matter of no personal consideration to me. I am going out of the service next month, but I have become intensely interested in the Government's welfare as well as the public end of this branch of the service, and I am convinced that in order to get the class of men and the force necessary to handle this work you have got to give them what they are worth.

Mr. LIVINGSTON. You can not keep the good clerks by any law or restriction we have from getting a better salary somewhere else?

Mr. BALLINGER. No, sir. The Forestry Bureau has a more elastic system of payment for their clerical force. We had a very efficient mineral clerk, who had been several years upon the matter of examining mineral claims, that is one of the principal examiners upon mineral claims. It requires a man of a great deal of expert knowledge to trace out the field notes of surveys in the mineral claims and the laws applicable to them, and when you have a man who has worked himself up to that efficiency and is worth to the office \$2,000 or \$3,000, you can not afford to lose him. You can not afford to lose him because you can not supply a man to take his place inside of several years of experience.

RESIGNATIONS.

Mr. BINGHAM. Do you lose many of your men now?

Mr. BALLINGER. A number.

Mr. BINGHAM. What do you mean by a "number?"

Mr. BALLINGER. I recall one of our efficient men that we lost from the mineral division, Mr. Staley.

Mr. DENNETT. And another man, Mr. Counsel. He is now a practicing attorney and is making more money on the outside. He was in the mineral division. There was another man by the name of Clark, he was also in that division. He has left the service and is now practicing law.

Mr. BINGHAM. That is a different proposition.

Mr. DENNETT. These are all lawyers.

PER DIEM IN LIEU OF SUBSISTENCE.

Mr. BINGHAM. At the bottom of page 225 in the paragraph, "for per diem in lieu of subsistence" you eliminate inspectors, so that the paragraph now reads "for diem in lieu of subsistence of clerks detailed to investigate fraudulent land entries, trespasses on the public lands, and cases of official misconduct, while travelling on duty, at a rate to be fixed by the Secretary of the Interior, not exceeding four dollars per day," instead of three dollars per day. Why do you eliminate inspectors?

Mr. BALLINGER. We are cutting them out entirely.

Mr. BINGHAM. You are eliminating them from this class of work?

Mr. BALLINGER. Yes, sir.

Mr. BINGHAM. From the work of investigating fraudulent land entries?

Mr. BALLINGER. Yes, sir.

Mr. BINGHAM. You have none of the inspectors?

Mr. BALLINGER. We have special agents.

Mr. BINGHAM. How will this work be conducted?

Mr. BALLINGER. These are clerks in the General Land Office. Heretofore we have had three inspectors of local land offices. That inspection is now being done by the special agents, chiefs of the field service, located through the various public land States, and we are not asking for any appropriation for inspectors of land offices or of surveyors general offices.

Mr. BINGHAM. If this change is made you will be only able to detail clerks?

Mr. BALLINGER. That is what we want. It is for the purpose of breaking up the difficulties I was explaining a little while ago as to the congested condition.

Mr. BINGHAM. You increase the subsistence from \$3 to \$4 a day?

Mr. BALLINGER. Yes, sir.

Mr. BINGHAM. Do you mean that you can not get respectable accommodations for \$3 a day?

Mr. BALLINGER. Well, I think you can get accommodations for \$3 a day possibly, but it is only in the smaller towns that you can get respectable accommodations for that amount. In the larger cities, like Denver and San Francisco and even in my own city, Seattle, \$4 a day

is generally considered about the amount you are going to have to pay for reasonable and proper accommodations.

Mr. DENNETT. It has been found lately that the expenses have increased very much in the west, prices have gone up.

Mr. BINGHAM. Have they not been reduced now?

Mr. DENNETT. I do not know; they may have been in the last few months, they had not been reduced at the time this recommendation was made. You will find that in the bureaus generally they are allowed \$4 a day.

Mr. BALLINGER. I presume they can get along on \$3 a day.

Mr. BINGHAM. In making their returns do they have to make affidavit?

Mr. BALLINGER. Yes, sir; they have to furnish vouchers for their expenses. I might say that in the Land Office there is nothing allowed except a purely emergency obligation without the authorization of the Commissioner and even in the case of an emergency expenditure in the field that must be authorized before the man's account and salary are approved, so we have every check to protect the government in all those matters.

LAW BOOKS.

Mr. BRICK. Why did the Department raise the amount for law books from \$200 to \$500?

Mr. BALLINGER. We have not been able to keep up the state reports or statutes of the various states. We have not them or the later editions of the various text books that are really necessary to consult.

Mr. BRICK. What library is available to you now?

Mr. BALLINGER. We have none now, except there is one in the Assistant Attorney General's office.

Mr. BRICK. You have been using that library in lieu of these reports that you could not buy?

Mr. BALLINGER. In an emergency I think it was used, but it is very awkward to have to send across the street to consult the library.

Mr. BRICK. Do you really think that it is necessary to add to your library account?

Mr. BALLINGER. I think it is necessary to give them a good deal more than they have been getting and a good deal more than they have been asking for. I candidly feel that they should have more than has been asked for to give them a proper working library.

Mr. BRICK. Do you have anything but law books?

Mr. BALLINGER. No, sir.

Mr. BRICK. How large a library have you?

Mr. BALLINGER. About 2,500 volumes. The State reports have not been kept up and we have not even the Reporters System in full.

Mr. BRICK. Will the \$500 keep the library up?

Mr. BALLINGER. No, it will not; but it will help.

Mr. BRICK. The \$500 will be used to fill up the sets that you consider the most important?

Mr. BALLINGER. Yes, sir; fill up and keep up the reports. Take the State laws of California and Wyoming, it is necessary to consult them in case of descent of property and all questions affecting the rights of property in the State under the statute. They affect more or less the questions that are constantly being considered in the Bureau.

UNITED STATES MAPS.

Mr. BINGHAM. As to the next item, will you have any deficiency this year in connection with the maps?

Mr. BALLINGER. I think not.

Mr. BINGHAM. Do you estimate that your contract will be next year with the same party? Has it been usually with the same party?

Mr. BALLINGER. No, sir. It is subject to open bids.

Mr. BINGHAM. I know, but as a rule does not the same party secure it because he has had it?

Mr. BALLINGER. Not necessarily.

Mr. BINGHAM. And can underbid other people?

Mr. BALLINGER. He might. I find upon examination that the successful bidder in 1905 was a firm in Philadelphia, in 1906 a company in Baltimore, and that in 1907 it went to a company in New York.

Mr. CLARVOE. In 1905 the contract was let to Restein & Co., of Philadelphia, at 50 cents per copy. The contract called for 25,000 more or less. In 1906 the contract was let to Friedenwald & Company, of Baltimore, at 55 cents per copy, 25,000 copies more or less. In 1907 the contract was let to the Sackett-Wilhelm Company, of New York, at 73½ per copy, 25,000 copies more or less. They were the lowest bidders in each instance. Of course the firm of Friedenwald & Co., of Baltimore, was embarrassed by the fire there some time ago, and they had not recovered at that time to compete for these maps.

Mr. DENNETT. This year when the first bid was received we did not accept it. We readvertised, but even with the readvertisement we only succeeded in saving about \$400 on the original bids.

Mr. BINGHAM. You estimate that this increase will be needed the coming year?

Mr. DENNETT. That is subject to business conditions.

Mr. BINGHAM. You may not use it?

Mr. DENNETT. We may not use it.

Mr. BINGHAM. It just depends on the bids?

Mr. DENNETT. Yes, sir.

Mr. BINGHAM. Do you think that a knowledge of what the appropriation is for work—because that is the first thing these people find out—has any influence on the bids?

Mr. DENNETT. Not last year. There was very keen bidding this year.

Mr. BRICK. You have not the bids for this year?

Mr. DENNETT. No, sir. That has not come up yet. The maps are not ready for distribution. We will not have sufficient maps to go around in accordance with the law. You must remember that the price of cotton cuts a good deal of figure, because all these big United States maps are backed with cotton.

SURVEYORS-GENERAL AND THEIR CLERKS—TERRITORY OF ARIZONA.

Mr. BINGHAM. On page 250 of the bill "for surveyor general of the Territory of Arizona" you ask \$8,000 instead of \$7,000 for the clerks in the office. What is the necessity for that?

Mr. BALLINGER. That is according to the report of the surveyor general. We have cut down the estimates in most every case.

Mr. BINGHAM. Is that necessary, from your knowledge of the work?

Mr. BALLINGER. I understand it is. That is the report to me.

Mr. CLARVOE. You will find slight increases all the way through these items in regard to clerk hire. The increase does not compare with the estimate submitted by the surveyor general.

Mr. BALLINGER. I would say in connection with this matter that through the Secretary an order was promulgated cutting off surveyors-general from any right to receive compensation for plats, maps and other papers made outside of office hours, which amounted to quite a little compensation to them and which they had been getting for a good many years. In view of that being cut off,—and we believed it was good administration, so that the government would get the compensation from the work done by the force and not part of it go into the pockets of the surveyor general and his clerks,—we believe it is now proper to return the salary to the amount fixed by statute, \$3,000.

FLORIDA AND NORTH DAKOTA.

Mr. BINGHAM. On page 253 of the bill you have omitted the office of surveyor-general in Florida. Why?

Mr. BALLINGER. The work of the surveyor-general in that state has practically run out, that is, there is no real necessity for continuing the office.

Mr. BINGHAM. No work?

Mr. BALLINGER. The records should be turned over to the secretary of state, and whatever is required should be referred to this office here.

Mr. BINGHAM. You can handle it?

Mr. BALLINGER. Yes, sir; just as we do at St. Paul, Minnesota, the surveyor general's office being abolished and the records have been turned over to the secretary of state as provided by the state legislature.

Mr. BINGHAM. There will be no delay by this action?

Mr. BALLINGER. No, sir.

Mr. BINGHAM. Has there been any complaint from Minnesota?

Mr. BALLINGER. No, sir. The complaint was that we did not turn it over soon enough.

Mr. BINGHAM. Has the State of Florida passed the necessary legislation to take over these records?

Mr. BALLINGER. In Florida and North Dakota they have not taken the proper steps.

Mr. BINGHAM. As to turning the records over to the secretary of state?

Mr. BALLINGER. Yes, sir. As soon as the legislatures in those states have acted and provided the custodians of the records and the proper places, and the expense of taking care of them, then the government can surrender them.

Mr. BINGHAM. They have not done that?

Mr. BALLINGER. No, sir.

Mr. BINGHAM. Will there be any trouble in dropping out the surveyors-general?

Mr. BALLINGER. We will have to continue the office there by a detailed clerk, but a detailed clerk can not act as a surveyor general but the commissioner can act *ex officio*. Heretofore in connection

with the office at St. Paul, Congress appropriated a sufficient fund to keep the office open until the time came when the records could be turned over to the secretary of state.

Mr. BINGHAM. That was the action taken by Congress at that time?

Mr. BALLINGER. Yes, sir.

Mr. BINGHAM. How do you propose to handle Florida, by sending communications from the applicant to your central office?

Mr. BALLINGER. Yes, sir. Of course the records will be in Florida. The records will be transferred to the secretary of state in Florida and the Commissioner of the General Land Office is ex-officio surveyor-general.

Mr. BRICK. You do not need any further legislation?

Mr. BALLINGER. There is a general law which covers such cases.

Mr. BRICK. As I understand it, Mr. Ballinger, the condition in North Dakota and your explanation is the same as to that in the case of Florida?

Mr. BALLINGER. Yes, sir.

Mr. BRICK. And that you will administer the affairs in North Dakota from your office in the same way that you have explained in regard to Florida?

Mr. BALLINGER. Yes, sir.

Mr. BRICK. Will you please explain, Mr. Ballinger, whether there will be any embarrassment by wiping out these offices in North Dakota and Florida, and if it will not and if it can be run by the Department, explain that, so that the Members of the House will understand it?

Mr. BALLINGER. We can continue these offices and protect the government and the public records whether or not the state acts and we can protect the public in any application for a survey.

Mr. BRICK. How would you do it?

Mr. BALLINGER. Through the action of the general office, or by detailing a clerk to handle the work. It would require no additional legislation on the part of the government.

Mr. BINGHAM. Do not the same conditions apply to Louisiana as to Florida?

Mr. BALLINGER. I will refer you to my report on page 25 of which it says:

South Dakota has but little public land survey work left, and in Louisiana there appears to be little for the surveyor-general's office to do except to reproduce ancient records and prepare patent plats. In view of the fact that a special agent of this Office after visiting the New Orleans office reported that little reason was found by him for prolonging its existence, I recommend that an investigation and report, such as was made in the case of the Minnesota office, be authorized, to the end that proper recommendations may be submitted to Congress in case it is decided to discontinue the office.

We have not the report upon that office which would warrant the recommendation of its discontinuance at this time.

Mr. BINGHAM. On page 261 of the bill there is this new language:

Provided, That no expenses chargeable to the foregoing appropriations for clerk hire and incidental expenses, in the offices of the surveyors-general, shall be incurred by the respective surveyors-general in the conduct of said offices, except upon previous specific authorization by the Commissioner of the General Land Office.

What do you want to reach by that proposed amendment?

Mr. BALLINGER. It conforms the surveyors-general offices to the same procedure as is now required in the local land offices.

Mr. BINGHAM. Is the verbiage the same?

Mr. BALLINGER. Yes, sir; exactly.

Mr. BINGHAM. And that is satisfactory?

Mr. BALLINGER. Yes, sir.

Mr. BINGHAM. Have you had some trouble in connection with this?

Mr. BALLINGER. That is my understanding. The purpose is to bring about the same system in all the local field offices. We are attempting to develop and will very soon install the same method of accounting in both the surveyors' offices and in the local land offices, so far as the general scope is concerned.

WASHINGTON — INCREASED CLERICAL HIRE.

Mr. BRICK. Will you kindly explain the increase in the office of the surveyor-general of Washington, on page 260 of the bill?

Mr. BALLINGER. As to the clerical force?

Mr. BRICK. Yes, sir; from \$7,800 to \$10,100?

Mr. BALLINGER. That amount is estimated for by the surveyor-general of Washington and we allowed what the surveyor-general asked, \$10,100.

Mr. BINGHAM. Why did you allow it?

Mr. BALLINGER. I can not inform you. I would have to go to our records and look into the details in the surveying division. I will submit to you a statement showing the reasons for all these changes, if you would like to have it.

Mr. BINGHAM. Yes, sir.

Mr. BALLINGER. I thought we had it here. We will give you a schedule showing the reasons for these various increases. I have not any personal knowledge covering the reasons for them.

DEPARTMENT OF THE INTERIOR,
Washington, January 29th, 1908.

HON. JAS. A. TAWNEY,
*Chairman Committee on Appropriations,
House of Representatives.*

SIR: In response to your verbal request for information respecting the estimate submitted by this Department for clerk hire and contingent expenses in the offices of the surveyor generals, particularly those estimates which involved an increase of the amounts appropriated for the current year, I have the honor to report as follows:

ARIZONA.

Clerk hire increase..... \$1,000

The surveyor general submits an increase of \$1,300 and reports that the present force will be required to work two years to bring up the arrears. (He calls attention to his recommendation for 1905, 1906, 1907, and 1908), stating that the work to be performed to close of fiscal year, and the amount of work involved in outstanding contracts returnable during the next fiscal year, as well as contracts being awarded under existing surveying appropriations, is the cause of the recommendation.

His office work on surveys for past year, is as follows:

Returns (field notes and plats of surveys in triplicate prepared, amounting to 22 townships.

Returns partially prepared amounting to 18 townships.

Plats and tracings made, 209.

Field notes prepared, 3,300 pages.

There is an increase of \$7,200 over 1906 in the amount of awarded contracts for which office work is necessary next year.

ARIZONA.

Contingent expenses increase..... \$100

The surveyor general asks for \$225 for the purchase of additional furniture and type-writing machines, this amount being in excess of the regular expenses such as messenger, stationery, &c.

The estimate was reduced and an increase of \$100 submitted by me.

COLORADO.

Contingent expenses increase..... \$900

The surveyor general submits an increase of \$1,400 mainly for additional drafting instruments, furniture and rent of office. This was reduced to \$900, the amount of increase of rent of this office from \$1,120 to \$2,000 per annum, on account of change of quarters.

IDAHO.

Contingent expenses, increase..... \$100

This amount is covered by the proposed purchase of a type-writing machine and repairs to others. The surveyor general submitted an estimate of \$200 for additional purchases of incidental supplies. His estimate was reduced to \$100 by me.

MONTANA.

Clerk hire, increase..... \$2,000

The surveyor general submits an increase of \$4,000 for increase of force, which was reduced to \$2,000 by me.

The additional amount is required owing to extra burdens thrown on the clerks by reason of a large amount of surveys, (\$60,000) contracted for under a "railroad" appropriation which is not available, as Indian surveys and special deposits are available, for office work.

The following table shows the work of the year:

Total miles of surveys worked up (prepared).....	4695
Exterior plats made.....	20
Township plats made.....	426
Pages of transcripts of field notes written.....	3381

NEVADA.

Clerk hire, increase..... \$400

The surveyor general submits an increase of \$1,600 in order to provide for an additional draftsman and promotions. This was reduced to \$400. He reports a steady increase of office business of all kinds and asks recognition of the work to which his office is entitled by granting the increases sought.

The office work last year shows that 1834 maps, plats and diagrams were made, an increase of 600 over the previous year; letters and telegrams received and sent, being 7484, an increase of 470.

NEW MEXICO.

Clerk hire, increase..... \$1,000

The surveyor general asks an increase of \$1500 for his clerical force, in order to retain two clerks who were paid out of the appropriation for Private Land claim surveys, now discontinued, and whose services are urgently needed for the proper transaction of public business. This was reduced by me to \$1,000 which will admit of the retention of one.

During the year there were 304 township plats, diagrams and tracings, and 3615 pages of field notes prepared and 2330 letters written and received.

In the surveys of the past year there were 2397 individual surveys, and 3242 applications for survey still remain, calling for the survey of 8103 tracts. Contracting surveyors have filed returns of ten contracts.

OREGON.

Clerk hire, increase..... \$1,000

The surveyor general submits an increase for his force of \$2,950 as necessary to transact the business of his office which is constantly increasing. This was intended to provide for two additional clerks, one draftsman at \$1,200 and one clerk at \$1,700. His

estimate was reduced by me to \$1,000, which will provide another clerk at this salary. The office work during the year comprised 114 township plats and diagrams prepared, 2046 pages field notes type-written, 1418 pages field notes transcribed, 2513 letters received and written. 9 prior surveys were approved, 21 surveys remain undisposed of, of which, returns of 8 are not yet filed; 5 being worked up in the office, and 8 suspended for field errors.

SOUTH DAKOTA.

Clerk hire, increase..... \$500

The surveyor general submitted an increase of this amount, as necessary for clerical work on 50 surveys in the Black Hills Forest Reserve under the act of March 3, 1899, clerical work on 8 townships in said reserve. Entries in this reserve are being allowed by Forest officers which will entail much additional clerical work. The increase will allow transcript service to the extent of \$800.

The number of miles of surveys upon which office work was completed and approved is 760.

UTAH.

Clerk hire, increase \$100

The surveyor-general submits an increase of \$2,100 for his office force to admit of one additional draftsman and increase of salaries. This was reduced by me to \$100 in order to allow of a deserving promotion. He states that the arrears of office work, to date, amount to 10 full and fractional townships to be examined, platted in triplicate and transcribed, and there are returns still to be filed of 50 full and fractional townships under outstanding contracts.

He reports 2100 letters received and written, 2367 pages of field notes, 571 plats, diagrams and tracings were prepared in his office during the year. There are 85 full and fractional townships undisposed of, the returns of which are partly worked up.

WASHINGTON.

Clerk hire, increase..... \$2,300

The surveyor general submits an increase in his force of this amount, and reports as follows:

"The appropriation for the present fiscal year was \$7,800. This amount has been insufficient to pay the salaries of the employes on the regular roll of the office, one draftsman at \$1,200 per annum having been paid from the fund of deposits by individuals for the entire year and the office stenographer borne on the rolls at the same salary, being paid from the same fund 9 months of the year. The fund of deposits by individuals is becoming depleted by these unjust charges upon it and I earnestly urge that the appropriation for clerks and draftsmen for 1909 be increased to \$10,000; \$9,900 being required to provide for the payment of all the office force now borne upon the regular roll at their present salaries and \$200 per annum for an increase in the salary of the very faithful chief transcribing clerk who entered the service in 1894 at \$1,200 per annum and has never had a promotion."

"The arrears of office work consist principally in completing the platting and transcribing of field notes of survey of outstanding contracts, in making segregation plats, descriptive lists, etc."

The work accomplished in this district, has been as follows:

FIELD WORK.

Townships surveyed and accepted, public lands.....	41
Number of miles run, public lands.....	2,276
Number of acres, public lands surveyed.....	602,644.39

OFFICE WORK.

Township exterior diagrams.....	25
Township plats.....	92
Segregation and supplemental plats.....	91
Miscellaneous plats.....	375
Total.....	583

You also request information as to the proper procedure in the event that Congress fails to provide appropriation to carry on the operations of a surveyor general's office in case the legislature has not

provided by law a suitable place for care of the records, which are to be transferred to its custody in pursuance of the terms of sections 2218 and 2219 Revised Statutes, U. S.

In reply you are informed that the records can not be transferred to the State until the requirements of the act are complied with, as to their care and custody, but the office may be placed in charge of an official of the Government temporarily, access to the records being allowed the public, while all business, such as office work on surveys, supplemental plats, copies of records, &c., will be transacted direct by the Commissioner of the General Land Office as ex-officio surveyor general. After the records are scheduled and transfer to the State accomplished, the work of completing the public land surveys will still be carried on by the said Commissioner either by examiners of surveys or by contracts entered into with him for that purpose while all copies of the original records called for by the public will be furnished by the State officer appointed by the State to take charge.

In the case of the State of Louisiana the surveys are almost entirely completed and it has about reached the stage when the closing of the office may be considered.

To this end it is proposed to have an agent of the Department make a thorough investigation of the conditions existing with the special end in view of ascertaining if the office can be discontinued at the end of the next fiscal year without jeopardizing the interests of the Government, and the records transferred to the State of Louisiana.

For this reason this Department has recommended in the present estimates that the appropriation for the Louisiana office be made as usual, but without the increase in the salary of the surveyor general.

Very respectfully,

JAMES RUDOLPH GARFIELD,
Secretary.

MONDAY, *January 27, 1908.*

INDIAN OFFICE.

STATEMENT OF MR. FRANCIS E. LEUPP, COMMISSIONER.

INCREASED COMPENSATIONS.

Mr. BINGHAM. The appropriation for your office for the current year is \$197,720 and your estimate for 1909 is \$225,840, an increase of upwards of \$28,000. The increased force you feel necessary for your office will give you better management?

Mr. LEUPP. I ask for the increase of salaries in order that we may keep some of our best people who otherwise go out, if we do not raise their salaries.

Mr. BINGHAM. How much of a subordinate force have you?

Mr. LEUPP. About 157.

Mr. BINGHAM. In the Department here?

Mr. LEUPP. Yes, sir.

RESIGNATIONS AND TRANSFERS.

Mr. BINGHAM. Are there many changes, and do you suffer much from them?

Mr. LEUPP. Some of our best people have gone into private employment.

Mr. BINGHAM. How many in the last year?

Mr. LEUPP. Six very good people.

Mr. BINGHAM. Are they taken from you by the other departments of the government?

Mr. LEUPP. Some of them are transferred at their own request and others go into private life.

Mr. BINGHAM. That you can not prevent.

Mr. LEUPP. No, sir. We kept one man last year, perhaps the most valuable man we have there in some respects, only by raising his salary. He was drawing \$1600 and we got it increased to \$2000. We have made a larger provision this year. He is the one man who has an absolute knowledge of the affairs of the Five Civilized Tribes at his finger's end.

Mr. BINGHAM. The chief clerk?

Mr. LEUPP. No; the law examiner. We have to have a very expert lot of people there because Indian treaties are so diverse and so full of little details that unless a man has them all in mind he can not judge of any measure promptly and quickly. It would take anybody else weeks to run down records which that man can do in five minutes.

Mr. BRICK. How many of your force do you increase in this bill?

Mr. LEUPP. To higher salaries?

Mr. BRICK. No; the number of employees increased?

Mr. LEUPP. It is not a material increase in numbers.

Secretary GARFIELD. There is no actual increase in numbers; it is simply a change, transferring from other parts of the Department.

Mr. BRICK. You say there is no increase in numbers?

Mr. LEUPP. Not practically.

Mr. BRICK. The current law gives you 157 and you ask for 172?

Mr. LEUPP. Those are details from the Secretary's Office. It is a change in the administrative system.

Mr. BRICK. He takes them into his office?

Mr. LEUPP. No; he sends them over to us, and now instead of their being paid on his roll the idea is to transfer them to our roll with some increases of salary.

Mr. BRICK. As a matter of fact, you ask for no increase of force?

Mr. LEUPP. No, sir.

Mr. BRICK. But you do ask on the rolls of expenditures in your bureau the payment of the clerical subordinate force transferred from the Secretary's office?

Mr. LEUPP. Yes, sir.

Mr. BINGHAM. Then, you have as a matter of fact, a very limited increase, 15 clerks?

Mr. LEUPP. Yes, sir.

Mr. BINGHAM. And that is in fact your full increase?

Mr. LEUPP. Yes, sir.

Mr. BINGHAM. You do not increase salaries other than such promotions you yourself can make?

Mr. LEUPP. No, sir. There are higher salaries provided in some instances for the same persons or for the same work that those persons have been doing.

Mr. BINGHAM. In other words, you want authorization for the continuance in your office and to be paid for under the administration of your office this increase of clerks you now have on detail?

Mr. LEUPP. That is it.

Mr. BINGHAM. Therefore, the increase of compensation is very limited?

Mr. LEUPP. Well, it is limited.

Mr. BINGHAM. It confines itself to a few?

Mr. LEUPP. Yes, sir.

Mr. BINGHAM. Therefore, you would rather have your increase of force as a general proposition, than your increase of a few compensations?

Mr. LEUPP. Yes, sir; if you consider that an increase of force, transferred from one branch of the Department to another.

DEPUTY COMMISSIONER.

Mr. BINGHAM. For the first deputy Commissioner you are asking an increase of 50 per cent; that is a pretty large increase. Has there been any trouble?

Mr. LEUPP. No, sir; not that I know of.

Mr. BINGHAM. How long has he been the assistant commissioner?

Mr. LEUPP. Only during my term, about three years, but he has been in the office for twenty-eight years.

Secretary GARFIELD. In the different bureaus and offices I have endeavored to arrange the salaries so that they are commensurate with the character of duty performed and the responsibility thrown upon their shoulders.

Mr. BINGHAM. You have been consistent right through?

Secretary GARFIELD. Yes, sir.

Mr. BINGHAM. That applies to the commissioner of a bureau, to the assistant commissioner of a bureau, to the chief clerk of a bureau, and to the financial clerk?

Secretary GARFIELD. Yes, sir; the principal officers of all the bureaus. I have endeavored to make them consistent in accordance with the character of the duty performed and the responsibility upon them.

Mr. BRICK. How do they compare with like work done in other bureaus of other departments?

Secretary GARFIELD. In some instances higher and in some instances lower. I have compared them with all the other departments and endeavored to find out by that comparison the general effect and they comport fairly well with those others, but that can not always be done because of the difference in character of work performed.

Mr. BRICK. When you made it higher you thought that was an officer who had more responsible work than a like officer in some other department who receives a lower salary?

Secretary GARFIELD. Yes, sir.

CHIEFS OF DIVISION—ADDITIONAL.

Mr. BRICK. At the bottom of page 228 and the top of page 229 you add three chiefs of division. Will you please explain that?

Mr. LEUPP. One of those chiefs of division is new.

Mr. BRICK. They are not transferred?

Mr. LEUPP. One is; he was transferred at \$2,250.

Mr. BRICK. Then there is a new man at \$2,400?

Mr. LEUPP. Yes, sir.

Mr. BRICK. You get him from the classified service?

Mr. LEUPP. We take the man now doing this same work.

Mr. BRICK. It is not a new man in the Department?

Mr. LEUPP. No, sir.

Mr. BINGHAM. All your subordinate force is under the civil service?

Mr. LEUPP. Yes, sir.

Mr. BINGHAM. In fact, all except yourself?

Mr. LEUPP. The assistant commissioner and myself. I had a private secretary who is not provided for here, but whose place I had taken by one of these chiefs of division.

Secretary GARFIELD. That is not an addition.

Mr. BRICK. You change the names; do you put clerks into these positions and call them chiefs of division?

Mr. LEUPP. They are promoted according to those who show the best administrative ability in handling the work of their division, but they are all under the civil service rules.

Mr. BRICK. That simply means an increase of salary with new names?

Mr. LEUPP. Yes, sir.

Mr. BINGHAM. You bring the Indian Office into your scheme?

Secretary GARFIELD. I do.

Mr. BINGHAM. You bring in all the various bureaus?

Secretary GARFIELD. Yes, sir. I may say right in that connection that the same system of filing and accounting that I am putting into effect in the Department is put into effect in the different bureaus, so there is absolute harmony.

Mr. BINGHAM. Heretofore that has not been done?

Secretary GARFIELD. No, sir. And also the same system of indexing. In regard to the change of designation of title, we have endeavored to cut down a good many useless and different titles and as far as possible make them simple and uniform throughout the department and the bureaus as well. The changes in titles, you will find in the round up, means the cutting down in the number of titles given.

Mr. BRICK. You have tried to make the titles represent the work of the office as accurately as possible?

Secretary GARFIELD. Yes, sir. I have had a report made of exactly what each employee is doing—not what his title would indicate, but exactly what he is doing—and upon that we have attempted to give the title that would represent the duty done.

Mr. BINGHAM. On page 230 of the bill you recommend striking out certain language—

and four charwomen; for three clerks at one thousand two hundred dollars per annum each, and one stenographer at nine hundred dollars per annum, now employed in the Indian Office and paid from the appropriation "Removal of restrictions, allotted lands, Five Civilized Tribes," Act of June twenty-first, nineteen hundred and six, such employment to be temporary and for not longer than one year from July first, nineteen hundred and seven.

Mr. LEUPP. Yes, sir.

Mr. BINGHAM. That would be July 1, 1908?

Mr. LEUPP. Yes, sir.

Mr. BINGHAM. Did you follow the statute in that respect?

Mr. LEUPP. Yes, sir.

Mr. BINGHAM. They are not out?

Mr. LEUPP. No, sir; because the first of July, 1908, is still in the future.

Mr. BRICK. You want to make them permanent in this act?

Mr. LEUPP. Yes, sir.

Mr. BINGHAM. That is the understanding, that you want them continued?

Mr. LEUPP. Yes, sir.

Mr. BINGHAM. The Secretary has taken them up on the assumption that they are an office force, and therefore in his reorganization continues these people?

Secretary GARFIELD. That is as I understand it.

Mr. BRICK. Do you need them as part of your permanent force?

Mr. LEUPP. I might say, in explanation of our taking up these people, that that is one of the hardest problems with which we have to deal, the settlement of the affairs of the Five Civilized Tribes, because everything is in a state of ferment and we have to have an examination of the papers that come from the Indian Territory by persons who know something about the work.

Mr. BRICK. And these people know?

Mr. LEUPP. Yes, sir.

Mr. BRICK. They know better than any one else?

Mr. LEUPP. Yes, sir; they are trained in that work.

TUESDAY, January 28, 1908.

PENSION OFFICE.

STATEMENT OF HON. VESPASIAN WARNER, COMMISSIONER.

Mr. BRICK. How much additional are you paying out for pensions on account of the McCumber law?

Mr. WARNER. Between five and six million dollars.

CONDITION OF WORK.

Mr. BINGHAM. What is the condition of work in your bureau at the present time?

Mr. WARNER. We are substantially current with the exception of claims under the McCumber act, and we will be up with those claims by March or April.

Mr. BINGHAM. Within two months?

Mr. WARNER. Yes, sir.

Mr. BINGHAM. That is the new law?

Mr. WARNER. Yes, sir.

Mr. BINGHAM. In all matters pertaining to the old law you consider yourself current?

Mr. WARNER. Yes, sir; all cases that can be adjudicated. Of course there are many cases that have to be investigated by special examiners.

Mr. BINGHAM. I understand that, but the general work is current?

Mr. WARNER. Yes, sir.

EFFECT OF M'CUMBER LAW.

Mr. BINGHAM. Has the McCumber law reduced the labor in the various divisions of the office?

Mr. WARNER. No; it has increased it. We have had 450,000 claims filed under the McCumber Law.

Mr. BINGHAM. It has reduced it in everything but the ordinary work?

Mr. WARNER. Yes, sir.

Mr. BINGHAM. How many applications have been filed under the McCumber law?

Mr. WARNER. I would say there have been filed under that act at least 450,000 claims, increases and originals.

Mr. BINGHAM. And that relieves in very many respects your work?

Mr. WARNER. It relieves the special examinations to a great extent. Where they used to apply under the general law they now apply under the McCumber law. For instance, if a man is getting \$8 under the general law and he can get \$20 under the McCumber Act, he makes application under that law.

Mr. BINGHAM. How has the reduction in your clerical force been made?

REDUCTION OF CLERICAL FORCE

Mr. WARNER. When I assumed charge of the office I saw the trouble and I determined not to fill any vacancies. That was nearly three years ago. The clerks were all nervous thinking that on the first of every July there would be a large number discharged. Of course they wanted to stay there, and I announced to them that as long as I was the Commissioner of Pensions there would not be a single person dismissed except for cause. Whenever there is a vacancy by reason of death, resignation, or dismissal I leave that position vacant. The force has been reduced in that way and we have 312 less employees than when I took charge of the office.

Mr. BINGHAM. There has been no reduction as far as any act on your part is concerned, but it has been the result of resignations, death, or dismissal?

Mr. WARNER. Yes, sir; I do not fill vacancies.

Mr. TAWNEY. How much have you reduced the force?

Mr. WARNER. We have 312 less employees today than when I took charge of the office.

Mr. TAWNEY. When did you take possession of the office?

Mr. WARNER. On March 4, 1905; three years ago the fourth of next March. I will have enough vacancies to comply with your next appropriation act. You will reduce my force under this appropriation act 115.

Mr. BINGHAM. Under the proposed act?

Mr. WARNER. Yes, sir. On the first of July when the new law goes into effect you will reduce my force 115 and we will have 115 vacancies so that I will not be required to discharge a single employee in order to comply with the law.

Mr. BINGHAM. So the proposed reduction will not cause you to remove a single employee as sufficient vacancies will exist?

Mr. WARNER. Yes, sir; I will have anticipated them.

Mr. TAWNEY. Have you a larger force now than is necessary to do the work?

Mr. WARNER. No, sir; I do not think so. I think the clerks are working well for this one reason, they know that their positions are secure, regardless of the amount of work there. I have told them that I would rather have them idle half the time and be up with the work than to be behind in their work and work all the time, and they feel content and satisfied that they are not going to be discharged except for cause.

PROMOTIONS.

Mr. BINGHAM. How do you make promotions in your office?

Mr. WARNER. Promotions are made on the ratings.

Mr. BINGHAM. I do not mean that. Do you fill the vacancy by promotion and leave the vacancy at the lower grade?

Mr. WARNER. That is what I wish to do; that is what I try to do.

Mr. BINGHAM. When vacancies occur if it is an increased compensation you give merit recognition in your office?

Mr. WARNER. Yes, sir. There is a record kept as to the quality and quantity of work performed by each clerk on the basis of 100 and that is reported to me, and I go over the list and promote according to the ratings. I take the ratings and if a man is rated at 98.98 and there is a \$2,000 vacancy he should have it, and so on.

Mr. BINGHAM. On that theory you feel that you are securing greater efficiency in your office?

Mr. WARNER. There is no question about that. Clerks come in at \$900 and I promote them right up. I have promoted one man three times. He has earned it.

SPECIAL EXAMINERS.

Mr. BINGHAM. For per diem of special examiners you ask \$300,000, the same amount that was appropriated for the current year?

Mr. WARNER. Yes, sir. I will tell you about the special examiners. You appropriated for this year \$300,000. We spent last year \$277,505.36, and I think it would be safe to reduce the estimate this year to \$250,000.

Mr. BINGHAM. \$250,000 will be sufficient?

Mr. WARNER. Yes, sir; I think so.

Mr. BINGHAM. You drop 25 examiners, reducing your force from 125 to 100?

Mr. WARNER. Yes, sir.

Mr. BINGHAM. The salary of the examiners is \$1300?

Mr. WARNER. Yes, sir. It is possible to make a reduction of 25. They come in with the 115.

Mr. BINGHAM. You can efficiently administer your office with the examining force reduced 25?

Mr. WARNER. Yes, sir.

Mr. TAWNEY. How many examiners have you now?

Mr. WARNER. I can not tell you without looking it up.

Mr. TAWNEY. How many examiners have been transferred, how many have resigned, and how many have died?

Mr. WARNER. I have left the vacancies, whatever the number is. As to how many there are, I can not tell you without looking at the

books, but I am prepared for this cut and when you make the reduction of 25 I will be ready for it, or I can promote enough up to \$1400 so as to leave the proper number of vacancies.

Mr. BINGHAM. There will be no impairment of efficiency by dropping these men?

Mr. WARNER. No, sir.

Mr. BINGHAM. When it comes to this appropriation you will have the vacancies and therefore you will not have to drop anybody?

Mr. WARNER. There will not be anyone discharged to comply with the law, unless he should be discharged for cause.

We have done more work in the Bureau during the last year than ever before, and the expenses of the bureau are \$500,000 a year less than when I took charge. We have more examiners in the field than you have provided for, because we have some clerks detailed. The moment we get through with the McCumber act we will have more work for examiners. We will take up the old cases and finish them. I think we should have the number of examiners estimated for this year, at least.

Mr. BRICK. When will you get through with the claims under the McCumber act?

Mr. WARNER. By April. A man applies when he is sixty-two years of age and when he gets to the 70 years of age he applies again, and at 75 years of age he applies again.

The proviso in the middle of page 234 may be entirely stricken out.

Mr. BINGHAM. And it will cause no impairment to your efficiency?

Mr. WARNER. No, sir.

Mr. BINGHAM. Do you desire to have the paragraph in brackets on page 232 continued in the bill?

Mr. WARNER. Yes, sir.

Mr. BINGHAM. With the dates brought forward?

Mr. WARNER. Yes, sir. I do not wish to fill vacancies and will be glad if the law will not allow me to fill them.

Mr. BINGHAM. You make no applications to other bureaus for experienced or subordinate force?

Mr. WARNER. No, sir.

TRANSFERS.

Mr. BINGHAM. Are you subject to call from ambitious clerks for transfer?

Mr. WARNER. Yes, sir.

Mr. BINGHAM. Do you permit the transfers?

Mr. WARNER. I let them go because I want the vacancies.

Mr. BINGHAM. You are able to do that?

Mr. WARNER. Yes, sir.

Mr. BINGHAM. And when they go, you do not fill their places?

Mr. WARNER. No; and I do not let them come back. The naturalization bureau has taken quite a number of my best clerks and made them chiefs of division and sent them to Detroit, San Francisco, and other places. If anyone wants to be transferred I permit it. I can do the work with a fewer number and it makes the tenure of the other clerks more secure.

Mr. BINGHAM. Secretary Garfield said the other day that he was going to leave all the positions estimated for in the Pension Office except that he wanted to reduce the 43 laborers to 40.

Mr. WARNER. That is right.

Mr. BINGHAM. We asked the Secretary if it was agreeable to you and he said it was.

Mr. WARNER. Yes, sir.

Mr. BINGHAM. You want absolute control of your force in order that you may handle it properly?

Mr. WARNER. Yes, sir.

MONDAY, *Jany. 27*, '08.

PATENT OFFICE.

STATEMENT OF MR. EDWARD B. MOORE, COMMISSIONER.

INCREASE IN FORCE.

Mr. BINGHAM. Please tell us about the increase in your subordinate force and the necessity therefor?

Mr. MOORE. I have asked for 49 examiners and 47 clerks of various grades.

Mr. BINGHAM. How many examiners have you?

Mr. MOORE. 313. The reason that we need this large increase of force is that the work of the office has so materially increased, especially in the last two or three years, and that general increase runs back probably ten or fifteen years, that by careful investigation of the conditions in the office I find we are unable to cope with that amount of work. We have over 91,000 pending applications, I think, of inventors. We have of what are called matters right up for current action, between 17,000 and 18,000 cases. Knowing as well as I think I do after an experience of twenty-four years in the Patent Office, that an examiner can not pass upon over one average case a day, that is the average run of cases for each examiner.

Mr. BINGHAM. You mean pass one case a day with your present force of examiners?

Mr. MOORE. Yes; with each examiner.

Mr. BINGHAM. The average of the 313 examiners?

Mr. MOORE. Yes, sir. The 313 examiners though are not all engaged upon the examination of applications. Some of them are use in the trademark division, that is a special branch, and some in the interference division, which is a little court which tries cases in interference cases in the first instance where two or more inventors claim the same thing. This is the sole work of those men.

Mr. BINGHAM. Still your average is the same?

Mr. MOORE. I did not count them. I am speaking of average applications acted upon as they are filed. We have assistant law clerks detailed for that business and that is necessary from the fact that during the past calendar year there were 2,830 cases, judicial matters, for the Commissioner of Patents to decide. The board of examiners-in-chief, which is another tribunal. There are three little courts in the office. Appeals lie from the primary or principal examiners to the examiners in chief and from the examiner of interferences, if it happens to be an interference case (and in interference cases testimony is taken all over the country and sometimes in

Europe). Appeals lie to the Commissioner from the Board of Examiners-in-Chief in all matters save trade-mark appeals which are appealed directly to the Commissioner from the examiner of trade-marks. All petitions are made to the Commissioner direct also. There were 2830 judicial matters, that came to the Commissioner of Patents, both *ex parte* and *inter partes* to be heard upon oral arguments or submitted upon briefs for his decision in the past year. Dividing that number up with the assistant commissioner, there would be 1450 cases for each to handle. In those cases any further appeal lies to the United States Court of Appeals of the District of Columbia. This year exactly 50% of the cases in that court are appeals from the Commissioner of Patents and forty-eight and a fraction per cent. last year.

Mr. BINGHAM. You stated how far you were behind in the number of cases?

Mr. MOORE. Yes, sir.

Mr. BINGHAM. Do you presume that these additional 96 people will meet the demands of the future?

Mr. MOORE. Yes, sir. I do not think we can do with a single person less. It has been most carefully estimated.

Mr. BINGHAM. You got for the current year the amount estimated?

Mr. MOORE. Yes, sir.

CONDITION OF WORK.

Mr. BRICK. How far are you behind?

Mr. MOORE. In the current work, about six months behind in the applications.

Mr. BRICK. How many applications does that amount to?

Mr. MOORE. Nearly 19,000 cases behind, that is about six months, but there are over 91,000 cases pending that can come up tomorrow or next day or at any time.

Mr. BRICK. Suppose I file my application for a patent and suppose it runs in regular course, without difficulty, how long would it be before I could get it completed and get my patent with the force you have now?

Mr. MOORE. It would depend entirely on the nature of the application because the majority, 99% of applicants, have attorneys and they amend these cases and then there are appeals.

Mr. BRICK. I mean outside of the appeals. With your present force how soon could I get a patent at the present time?

Mr. MOORE. Not before six months to a year.

Mr. BINGHAM. If I file an application to-day, as the gentleman suggests, before I could get matters completed so I could operate under my patent it would take six months?

Mr. MOORE. Yes, sir.

Mr. BINGHAM. How long with this proposed force?

Mr. MOORE. As I stated in my report, I think I can reasonably assure the Committee that I can pass out the average application, that is, where there is no appeal—

Mr. BINGHAM. You mean normal conditions?

Mr. MOORE. Yes, sir; pass it out in thirty days, and it should be done.

Mr. BINGHAM. That is what you are endeavoring to work out!

Mr. MOORE. Yes, sir.

Mr. BRICK. I understood when you said six months that you meant a normal case?

Mr. MOORE. Yes, sir.

Mr. BINGHAM. If it is a case carried to appeal it has to take the regular course?

Mr. MOORE. Yes, sir; the usual course, as in cases in the courts. The average case of course would reach me much earlier than that and would go to the court of appeals much sooner. I have recommended that one appeal be eliminated within the office and I hope that will be done in the interests of the inventor, because it will save a great deal of expense. There is a fee charged in each appeal and the expenses of the attorney incident to one appeal in the office would be entirely eliminated and the cases would be expedited.

Secretary GARFIELD. Are you able to give any estimate as to what increase in expedition there would be in the handling of the appeal cases in your office up to the time they would go to the court if you are allowed this additional force?

Mr. MOORE. An appeal would be put through in sixty days.

Secretary GARFIELD. Up to the court?

Mr. MOORE. Yes, sir.

Mr. BINGHAM. Then it is with the court?

Mr. MOORE. Yes, sir.

Mr. BINGHAM. In 60 days you could handle the appeal cases up to the court?

Mr. MOORE. Yes, sir.

Mr. BRICK. You spoke of 19,000 cases being behind?

Mr. MOORE. Those are cases actually on the examiners' desks.

Mr. BRICK. 19,000?

Mr. MOORE. Yes, sir.

Mr. BRICK. How many cases have you?

Mr. MOORE. Over 91,000.

Mr. BRICK. Altogether?

Mr. MOORE. Yes, sir. That includes the 19,000.

Mr. BINGHAM. When you say 91,000 do you mean from the commencement of this year?

Mr. MOORE. Cases that are pending and have not been disposed of.

Mr. BINGHAM. Many of those are appeals?

Mr. MOORE. Yes, sir.

Mr. BINGHAM. Unsettled cases?

Mr. MOORE. Cases carried on by prosecution of the attorneys and so they relate to other years.

INCREASE IN FORCE IN TEN YEARS.

Mr. TAWNEY. In the last ten years you have had an increase in the Patent Office of 215 clerks?

Mr. MOORE. Yes, sir; I think that is right.

Mr. TAWNEY. Your appropriations since 1899 have increased from \$759,950 to \$965,150 for the fiscal year 1908?

Mr. MOORE. Yes, sir.

Mr. TAWNEY. Or an average increase during the twenty years of \$22,800?

Mr. MOORE. Yes, sir.

Mr. TAWNEY. You are now asking for an increase of \$40,460 for 1909 over 1908, almost 50 % in excess of the average increase for the last ten years?

Mr. MOORE. Yes, sir.

Mr. TAWNEY. I observe that you have dropped the office of examiner of interferences in your estimates?

Mr. MOORE. No; I think not.

Mr. TAWNEY. You do not estimate for it?

Mr. MOORE. That is for the purpose of internal administration. I thought it would be better to do that in order to make them interchangeable.

Mr. TAWNEY. The office of examiner of interferences is a statutory office?

Mr. MOORE. Yes, sir.

Mr. TAWNEY. At an annual salary of \$2500. Then in addition to the examiner of interferences you have under the present authorized organization 22 principal examiners at an annual salary each of \$2500?

Mr. MOORE. 41 principal examiners, I think.

Mr. TAWNEY. Then you have 22 first assistant examiners all under the act of 1870.

Mr. MOORE. I beg pardon, that is the act of 1870 you are reading from?

Mr. TAWNEY. Yes, sir. These first assistant examiners are appropriated for at an annual salary of \$1800 each. Then you had 24 assistant examiners for the fiscal years 1874 to 1876, under the act of March, 1873, and you had 24 assistant examiners whose appointments were authorized under the act of March 3, 1873.

Mr. MOORE. Formerly there were only two grades.

Mr. TAWNEY. You had 52 for the fiscal years 1892 to 1894, inclusive, fourth assistant examiners?

Mr. MOORE. Yes, sir.

ELIMINATION OF GRADES OF EXAMINERS.

Mr. TAWNEY. As I understand it, your estimates as submitted at this session of Congress contemplate an entire reorganization of this force and these people will be designated as what?

Mr. MOORE. They will be designated as principal examiners and examiners. I have stricken out the grades entirely.

Mr. TAWNEY. You have eliminated the different grades?

Mr. MOORE. Yes, sir.

Mr. BRICK. Are these examiners called clerks?

Mr. MOORE. No, sir; they are termed examiners.

Mr. TAWNEY. Instead of saying 22 fourth assistant examiners they are all designated as examiners?

Mr. MOORE. Yes, sir.

Mr. TAWNEY. And you estimate for their compensation in the same way?

Mr. MOORE. No, sir; such a number at such a salary and another number at another salary. I did that because these are all college men, they are bright men and have futures before them, a rather superior class, and sometimes it is necessary to change and to put a man in charge of a division or transfer him to some other class. It

would be rather a smirch on his record to take a third assistant examiner and put him over a first assistant examiner and so I have wiped out the titles for better administration.

Mr. TAWNEY. The titles are equal, but the compensation is different?

Mr. MOORE. Exactly.

Mr. TAWNEY. How is it with the character of work?

Mr. MOORE. We are reorganizing that. Where the work does not come up to the standard they are put back into these lower grades.

Mr. BRICK. You ask for 96 people. Can you tell me the gradation of salaries there will be, how many at a certain salary, and how many more at a certain salary, and so on through the whole 96 that you contemplate in this bill?

Mr. MOORE. I can furnish that.

Mr. TAWNEY. In making up the appropriation for the fiscal year 1907 we had presented to us the same argument that is now made for an increase of force and it appealed to the Committee with a great deal of force, namely, that the office was behind, and 50 additional employees were given to the Patent Office at an increased cost of administration of \$66,480. When we came to make up the appropriation for your office for the fiscal year 1908 it was represented that the work in the office had improved but that you were still behind, and we gave an additional force of 23 men at an additional aggregate compensation of \$30,020. How does the condition of the business in your office to-day compare with what it was on the first of January, 1907?

Mr. MOORE. That would take in the business of 1906?

Mr. TAWNEY. Yes, sir.

Mr. MOORE. As I have stated in this report to the Secretary of the Interior and also in my annual report to Congress, this work was simply pushed off the desks. Every examiner knows that, every patent attorney knows that, every manufacturer knows it, and the papers all over the United States have taken it up. Here, [exhibiting] is a two column editorial in the Scientific American, in its last issue, and also the Inventors' Congress of Rochester New York have taken the matter up and the Manufacturers' Association of the United States, 3,000 members, have taken the matter up, of holding conventions and sending petitions to Congress in the interest of the Patent Office. That work was simply pushed off to make a good showing for the force which was given us. It was bad work. Patents were issued that should not have been issued.

Mr. TAWNEY. Can you state to the Committee how many applications for patents have been received during the fiscal year 1907, and then I want to compare that with the number received in 1906?

Mr. MOORE. In 1906, 56,482 applications for patents, caveats, 1,185, and patents, granted 31,965. In 1907, 57,679 applications for patents, 1,967 caveats, and 36,620 patents granted.

Mr. TAWNEY. According to your comparative statement between the applications for patents, caveats and reissues during the fiscal years 1906 and 1907, there is but very little increase?

Mr. MOORE. Yes, sir.

Mr. TAWNEY. You still continue to fall behind in the work?

Mr. MOORE. Yes, sir.

Mr. TAWNEY. Are you getting all the work out of your examiner force that ought to be obtained or that could have been obtained?

Mr. MOORE. Yes, sir; that work has been accumulating there for years. The same conditions have existed there from year to year until we have, as I say, over 9,000 cases pending there.

Mr. TAWNEY. How many cases were pending at the close of the fiscal year 1906?

Mr. MOORE. The report does not show that; it simply shows how many applications were filed at that time.

Secretary GARFIELD. Did not the report and the table that you prepared for me show the number of patents that were pending, the number received, the number acted on, and the balance of those pending at the time the report was made?

Mr. MOORE. I have not that report here. I thought my clerk put it in, but he did not.

Mr. TAWNEY. It was represented to this Committee during the last Congress that with the increase of force asked for you would be able to clean up all the accumulated business and take care of the new business that came in. Now the new business did not materially increase in 1907 over 1906 and I assume the same is true of 1908?

Mr. MOORE. Those representations were made by my predecessor. There has been the same steady increase each year.

Mr. TAWNEY. But there has been no general increase in the amount of new business coming in?

Mr. MOORE. There is about the same steady increase. If you will notice this table, from 1836 down to date in the new business there is just the same steady increase right straight along, it averages about 3,000 cases of new business a year.

Mr. TAWNEY. Your new business during the last two fiscal years has not appreciatively increased while your force has been increased all the time. When are we ever going to get this force up to take care of the average new business during the fiscal year and wipe out this old business, because we are giving the increase every year on the promise that the accumulated business will be taken care of as well as the current business?

Mr. MOORE. Yes, sir; and that is just precisely why I am asking for 96 people, to wipe out all that accumulated business and to keep up the current work, so that it will not be necessary to ask Congress every year for so many examiners. If you will give me this force and have confidence enough in me, after twenty-four years' experience, I will bring that work up and wipe out this terrible condition and give an inventor a patent or a rejection finally in thirty days.

Mr. BRICK. What percentage of the applications are allowed in the first instance?

Mr. MOORE. Some of these applications are amended and amended.

Mr. BRICK. What percentage of the applications for patents that come into your office are disallowed in the first instance?

Mr. MOORE. Do you mean rejected?

Mr. BRICK. Rejected in the first instance.

Mr. MOORE. You do not mean absolutely disallowed? We reject them and they amend them in view of certain patents cited for often they have something in the case outside of those patents cited against their claims as first presented.

Mr. BRICK. What percentage of the applications are in the first instance disallowed?

Mr. MOORE. Fully 95 % are disallowed on the first action in whole or in part.

Mr. BRICK. What percentage of those are appealed?

Mr. MOORE. I should say about ten or fifteen per cent of them.

Mr. BRICK. And of those appealed, how many are issued, what per cent.?

Mr. MOORE. In the appeal cases the office has been generally sustained by the United States Court of Appeals. We have only been reversed eight or ten times to the best of my knowledge, because in the first instance they get the opinion of two experts, the assistant examiner and the principal examiner, then they go to the board of examiners, composed of three experts and that gives them the opinion of five experts, and then it comes to the Commissioner and they get another opinion, so there are six opinions before the case goes to the United States Court of Appeals.

Mr. BRICK. You have some little courts?

Mr. MOORE. Yes, sir; that is what I intended to indicate.

Mr. BRICK. You have your examiners settle these cases in the first instance and then they go to the little courts. What percentage of those cases are rejected by those little courts?

Mr. MOORE. I suppose about 10 or 15 %.

Mr. BRICK. What percentage of the ten or fifteen per cent. decided by these courts is issued?

Mr. MOORE. I never estimated that, but I should say about three per cent.

Mr. BRICK. You say that you are 95,000 cases behind, or something like that. If we give you these 96 men you will wipe this work out in what time?

Mr. MOORE. If I am obliged to wait until July 1, 1908, it will probably take a year from that time.

Mr. BRICK. Then, what will you do with all that force?

Mr. MOORE. If the work of the office continues to increase we will need it, otherwise we will let it go, treat it as a temporary force.

Mr. BRICK. It is not temporary in the bill?

Mr. MOORE. We do not keep any more men than are absolutely necessary.

LENGTH OF SERVICE OF EXAMINERS.

Mr. TAWNEY. You have difficulty in keeping the men for any length of time?

Mr. MOORE. Yes, sir.

Mr. TAWNEY. Have you anything to show the average length of service of the force?

Mr. MOORE. It is about three years.

Mr. BRICK. Where do they go?

Mr. MOORE. To the corporations. The General Electric Company has 12 men from our office. In fact, the total force in their legal department is from the United States Patent Office.

Mr. BRICK. Do they go into any other department by transfer?

Mr. MOORE. No, sir. These are all specially educated men.

Mr. TAWNEY. How does your accumulated business today compare with the business accumulated a year ago and two years ago?

Mr. MOORE. There is a slight increase, I should say 10 or 15 per cent. over a year ago.

Mr. TAWNEY. That is something I can not understand. If the current business has not increased, the number of applications has not materially increased and your accumulated business is practically the same now as it was a year ago and two years ago when this additional force was given you, why is the accumulated business not much less than it was when the additional force was given you?

Mr. MOORE. We never have had force enough in the office to handle the business. These cases have not been passed to issue because the examiner would reject them and they have laid there from year to year and have been steadily increasing. They were afraid to pass them to issue because the examiner had not sufficient time to give these applications the thorough examination they should have.

Mr. TAWNEY. What proportion of your force has been engaged since the beginning of this fiscal year in working on this plan of reorganization in your office?

Mr. MOORE. Since June we have been working on that.

Mr. TAWNEY. What proportion of the force was engaged in this work of reorganization outside of the regular patent work? How many examiners or clerks that you employ there for the purpose of working on applications for patents have been taken from that work and put on the work of reorganization?

Mr. MOORE. About 15%; 258 examiners at least out of the 313 only are engaged on the examination of applications at the present time.

Mr. TAWNEY. How many have been employed on reclassifications and how many on original work?

Mr. MOORE. There were 15 on reclassifications, but I withdrew every man from reclassification, I had to do it.

Mr. TAWNEY. How long were those men engaged on the reclassification work?

Mr. MOORE. The classification division was established in 1898 and the work is about one quarter completed. It is my purpose to take a portion of these examiners and put them back there and go on and complete the reclassifications. There are 880,000 United States patents and 3,000,000 foreign patents. We have to classify and examine the foreign patents just the same as we do the United States patents. When it is completed the need for further additions to the force I hope will not be necessary. This work of reclassification will be of great benefit to the outside public who have to make searches before they file their cases.

Secretary GARFIELD. What part of the increased force will be used for the reclassification?

Mr. MOORE. Fifteen out of the forty-nine.

Mr. BINGHAM. Are those clerks or examiners?

Mr. MOORE. Examiners.

OVERTIME WORK.

Mr. BRICK. Have you any men working overtime?

Mr. MOORE. Yes; they work overtime all the time; they have for a number of years.

Mr. BRICK. What proportion of the men?

Mr. MOORE. The whole force of examiners has been working until five o'clock for several years, under orders from the Commissioner of Patents.

DIFFICULTY IN SECURING EXAMINERS.

The Civil Service Commission has stated in their letter, which I quote here, and I have the original in my office, that they have been unable to furnish the Patent Office with examiners to do the work; that the people will not take the examinations for the salaries now provided, and what few take the examination when informed of the salaries for entrance and above they decline the positions. To-day we have 15 vacancies, and I have to go out on the street and get the best men I can for the money. We can not get them and our men are resigning.

RESIGNATIONS.

Mr. BRICK. How many have resigned?

Mr. MOORE. In five years 165 out of the 313 men.

Mr. BRICK. Have they been taken to other departments?

Mr. MOORE. No, sir; not one of them.

Mr. BRICK. They go into private service?

Mr. MOORE. Yes, sir; with the corporations and established firms of attorneys.

Mr. BRICK. Is not that very largely because they are fitted for the work?

Mr. MOORE. Yes, sir; these men are fully equipped for the work. These are experienced and trained men.

Mr. BRICK. You say that the Civil Service Commission informs you that they can not get the character of examiner you desire for the compensation?

Mr. MOORE. Yes, sir.

Mr. BRICK. How many classifications have you of examiners, just one?

Mr. MOORE. We have four classes, \$1200, \$1400, \$1600, and \$1800, and principal examiners at \$2,500.

Mr. BRICK. In your reorganization, do you lift each one of those grades?

Mr. MOORE. Yes, sir.

Mr. BINGHAM. In this report on page 23 I find that so far as caveats are concerned there has been very little increase, and some increase in patents and reissues. I see that you make an exhibit of \$279,000 surplus which was turned into the Treasury?

Mr. MOORE. Yes, sir.

Mr. BINGHAM. In fact, you have been turning in a marked surplus from 1842. Last year you made an exhibit of \$279,000 and this year I presume will be as large. In other words, if the surplus which your office turns into the general Treasury was considered in connection with the necessary improvements and conduct of your office, you would give us a better administration in every character and carry your office up to almost normal conditions?

Mr. MOORE. Yes, sir.

Secretary Garfield. Without doubt.

Mr. TAWNEY. I might add that just to the extent that the surplus would increase, to that extent the force would increase, regardless of the necessities of the office.

Mr. MOORE. It was my good fortune to meet the Commissions sent out by foreign countries during the St. Louis Exposition. They wanted to know, and they came here purposely to find out, why the

balance of trade was in favor of this country, and why we were commercially supreme. Each and every one of them, without exception, said that it was owing to the protection afforded the American inventor under the wise provision of the Constitution, and through the various laws that have been enacted since. I believe that, Mr. Chairman, absolutely. Nearly everything that is manufactured is directly or indirectly based upon patents. The South used to object to patents, and the West as well, but that sentiment has died out, so that I think to-day the greatest support we have is from the West and South. They have commenced to invent down South, and they take a great interest in the Patent Office.

We have twenty-four nations belonging to the National Patent Union at present. To-day China has a patent office; Japan has a patent office, and there is a treaty being prepared to take in the South American States. They have no patent laws at all down there. Germany and Great Britain have followed the American patent system, and are using the same system. These nations are going into the patent business heavily. We are getting, in the patent office from 15 to 20 per cent more foreign patents for examination than two years ago. It is growing enormously. Polytechnic colleges are being established everywhere. I have been called upon in my official capacity by men from many nations, especially China and Japan, in the last few years, who came to look into our system. All this has resulted in an enormous increase in the foreign patents. So we must have the class of men who are equipped for this highly technical work, work relating to all of the known arts. Take the business of wireless telegraphy alone. They have been drawing our men away, one after another, they going to the different companies, the Marconi, the DeForest and the Fessenden, so that we have been stripped of our best class of men in the last two or three years. We are not getting in a class of men who are competent to perform the duties of the office, but we have to take someone, for we have to have examiners there.

Mr. BINGHAM. And that means delay.

Mr. MOORE. That means delay.

Mr. BINGHAM. In connection with your suggestions, with reference to the nations of the world: How do we compare in the work of our Patent Office with the work of other patent offices?

Mr. MOORE. We have the best examining system of the whole world, and the more enlightened nations have adopted it; but I must say that if this system is not carried out it is more largely because we have not the talent to work with. The patents issued by the patent office of Germany are vastly superior as to validity. Our patents have to be taken into the courts because there is such loose work done in the Patent Office. I have stated that in my report, and I was ashamed to say it. They have 300 examiners in the Patent Office of Germany, and they have only 158,000 patents against our 880,000; and their salaries are much larger than ours. The Commissioner of Patents of Great Britain receives \$25,000 a year. The Examiner of Trade Marks receives \$5000 a year, while the Assistant Examiner receives \$3000, as against our pay of from \$1,200 to \$1800.

Mr. BINGHAM. Do they do as much work as you do?

Mr. MOORE. Not one-tenth part,

Mr. BINGHAM. I mean as to the output of their offices.

Mr. MOORE. There are only about three millions in all the countries outside of the United States, but they are increasing at an enormous rate.

Mr. BINGHAM. And that makes your available subordinate men subject to the temptations of the foreign service at larger pay?

Mr. MOORE. Yes, but the corporations are taking away our best men at larger salaries.

Secretary GARFIELD. I would like to add one word in this connection. It seems to me that if we are going to issue patents we ought to issue them in such form that they will mean something. We should not issue them so carelessly. They should not be issued and handled by such inefficient and inexperienced examiners as to give a man practically something on its face, and practically nothing underneath, for that means litigation.

Mr. TAWNEY. I will say that that has been the desire of the Committee, since I have been here, and for that reason we have been giving the Patent Office practically the number that they have asked for, with the understanding, and upon the promise, that if we did so it would only be a year or two when their work would be current, and people could secure patents just as fast as their applications were filed. It is somewhat discouraging, after doing that for several years, to find that we are up against the same old proposition of arrearage of work, notwithstanding the increase in force.

Secretary GARFIELD. I agree with you thoroughly. When the matter was first brought to my attention I went over it with Mr. Moore in detail, not only as he has given it to the Committee, but over every one of the different divisions, to find out the condition of the work in other respects; why the offices were behind, the difficulties that had been encountered because of the effort to turn out in the last two years that large amount of work, but not in the manner in which it ought to have been turned out. The result has been that while they have cleared up, on the surface, certain divisions, they have had to do much of the work over again. That practically means a rehearing on the same application, instead of getting at the root of the evil as should have been done. And not only do we want to get an increase in number, but what is so much more important, an increase in salary for these men so that we can command greater talent, men who will turn out work, which, when once done, will not have to be reviewed and done all over again in a few months.

Mr. TAWNEY. In other words, you consider your work in the Patent office is not well done work?

Secretary GARFIELD. It is not as well done as it should be.

INTERNATIONAL BUREAU AT BERNE, SWITZERLAND.

Mr. TAWNEY. There is an appropriation of \$750 for the share of the United States in the expense of conducting an International Bureau at Berne, Switzerland for the current year, and that appropriation has been the same ever since 1903. Is that expended annually; is that a fixed sum?

Mr. MOORE. A fixed sum, the share of the United States for the support of that Bureau. Twenty-four nations maintain that bureau. It is a sort of a clearing house on international questions.

Mr. TAWNEY. It is all expended every year.

Sec. GARFIELD. Yes. By the way, Mr. Moore, how do we account for that? Do they send us a statement?

Mr. MOORE. Yes, they send us a statement.

Mr. BRICK. That is a good thing, is it?

Mr. MOORE. Oh yes.

PURCHASE OF PROFESSIONAL AND SCIENTIFIC BOOKS, ETC.

Mr. BINGHAM. For purchase of professional and scientific books and expense of transporting publications of patents, and so forth. Have you not a very fair standard of library? Do you really need \$2,500 year in and year out for the purchase of publications for the library under your Bureau?

Mr. MOORE. Yes, because the Examiner is obliged to search through scientific works just the same as through patents.

Mr. BINGHAM. Foreign works?

Mr. MOORE. A great many are foreign works. That is a sum that has been appropriated each year.

Mr. BINGHAM. Do you spend it all?

Mr. MOORE. Oh yes, and I am informed that it is not quite enough, though I thought I would not ask for any more this year.

Sec. GARFIELD. Will you send up to the Committee Mr. Moore the statement you made for me showing the character of the publications purchased each year out of this sum?

Mr. MOORE. Yes. They are mostly scientific works.

PRODUCING COPIES OF DRAWINGS OF PATENTS.

Mr. BINGHAM. For producing copies of drawings of the weekly issue of patents; for producing copies of designs, trade marks, and so forth, \$140,000. Do you require that?

Mr. MOORE. Yes.

Mr. BINGHAM. That has been increased very largely in the last few years, or since 1905. Do you need that, and do you spend it all?

Mr. MOORE. Yes, and we get it all back from the sale of copies of the patents.

BUREAU OF EDUCATION.

STATEMENT OF MR. ELMER E. BROWN, COMMISSIONER OF EDUCATION.

Mr. BINGHAM. Bureau of Education, page 241. The first is the increase for the Commissioner from \$3500 to \$6000. That is in line with the general proposition which we will take up in another form. Chief Clerk \$2400.

Secretary GARFIELD. That is in line with the general statement that I have made.

Mr. BINGHAM. I see that the Collector and Compiler of Statistics is taken out and the name "Librarian" inserted. You now have, under existing law, a Collector and Compiler of Statistics. This simply changes the name. We want to avoid changes of names as much as we can. He does the same work as your librarian, does he not?

Mr. BROWN. He is the only librarian I have.

Mr. BINGHAM. And he is the only collector and compiler of statistics that you have, is he not?

Mr. BROWN. The greater part of his work is in the library.

Mr. BINGHAM. The public service would not be injured, however, by leaving it as it is?

Mr. BROWN. "Librarian" would be a much better designation, and fairer to the man.

Mr. BINGHAM. You eliminate two copyists one at \$800 and one at \$720.

Mr. BROWN. We eliminate them and put in three copyists additional in the \$840 class.

Mr. BINGHAM. That means an increase of compensation?

Mr. BROWN. A small increase in compensation.

Mr. TAWNEY. What are these copyists copying?

Mr. BROWN. These copyists copy statistical tables. They copy matter that we want manifolded in small batches and which is not of such sort that it would pay to have it printed. They copy letters where there are duplicate letters sent in small numbers, and such things as that.

Mr. TAWNEY. Copy in longhand or on a typewriter.

Mr. BROWN. On the typewriter entirely.

Mr. TAWNEY. When you get in foreign publications, if it is deemed necessary to reissue them in the form of bulletins, do they copy those too?

Mr. BROWN. They do some of that copying, but most of it is done outside. That is done by the man who prepares the bulletin for publication.

Mr. TAWNEY. If it is in a foreign language, does the man who prepares the bulletin do the translating too?

Mr. BROWN. He does the translating ordinarily, and the copying. Sometimes more of that copying is done in our office.

Mr. TAWNEY. And you are at present paying these copyists \$800 a year.

Mr. BROWN. Two of them \$800 and one of them \$720.

Mr. BINGHAM. Have you anything to say in regard to that paragraph, Mr. Secretary?

Sec. GARFIELD. No, sir.

BOOKS FOR LIBRARY, PERIODICALS, ETC.

Mr. BINGHAM. For books for library, current educational periodicals, other current publications and completing valuable sets of periodicals, you ask for \$2000 while your appropriation for this year is \$1000. Do you use this library as a general reference library?

Mr. BROWN. Yes, sir.

Mr. BINGHAM. What is there in your work that requires a library for immediate service? Have we not publications in some of our other libraries that are always available to you?

Mr. BROWN. I think I could best present this whole matter to you if you will allow me to make a brief statement of the whole plan under which I am working.

Mr. BINGHAM. That is agreeable.

Mr. BROWN. We have taken some steps and have made plans for increasing the usefulness of the office. The general purpose is to

provide a real active center of influence and information for the educational interests of the whole country. With that end in view, we are trying to bring into active cooperation with the work of the office the actual educational leaders of the country, and bring the office into close cooperation with the other offices in Washington. That in general is the plan on which we are working. I found, when I came into the office, a library of about 83,000 volumes. Of course the larger part of that collection is made up of official documents relating to education, educational reports, catalogues and so on, both American and foreign. The first thing that was done with reference to the reorganization of the library was to get a very competent librarian. His first work was to reduce it to the lowest possible working basis. Out of the 83,000 volumes, about 18,000 volumes have been sent to other libraries, the Library of Congress and the Library of the District of Columbia. Those were books which it was found were not so immediately needed for the purposes of the Bureau, or could be more useful elsewhere. The collection that remained is a collection of about 65,000 volumes, and it is undoubtedly the best collection of official documents on education in this country. It is exactly such a collection as is required for the regular work of the office, that is, for the work of specialists who are employed in the office, for the work of students of education and representatives of various educational commissions that come to the office and seek information along special lines. And also for the work that we are undertaking to do in furthering the development and organization of educational libraries throughout the country.

One very large part of the work which this library has in hand is bibliography. We are consulted continually by those who are engaged in educational work throughout the country with reference to the best information in regard to various new lines of work, and the Librarian and his staff, by furnishing lists of the best available recent works upon those subjects, are giving exactly the kind of help that is needed.

MR. LIVINGSTON. Can you give us an instance, so that we can gather from your statement what kind of books you need and should buy? Give us a few specimens of the kind of books that you have to buy.

MR. BROWN. I have here a statement from the Librarian with reference to the most urgent needs of the library, as he finds it. He puts it as follows: There is need of books to supplement the collections in the Library of Congress—for the most part copyright works—and the collections in other American libraries with this in view: First, to complete imperfect files in serial documents, mostly foreign, publications of ministries of public instruction which are no longer to be secured by gift, of municipal boards of education, of pedagogical societies, of universities and schools. Second, to complete imperfect sets of periodicals, year books and other serial publications.

MR. LIVINGSTON. You do not mean novels, but educational serials?

MR. BROWN. This is all educational. We have put out of the library everything that is not educational. Third, to secure standard works, chiefly European publications. Fourth, to secure rare books of importance to the historian.

Mr. LIVINGSTON. How do you use those foreign books?

Mr. BROWN. A part of the statutory duty of the Bureau is to give information in regard to foreign educational systems, and in order to do that we have to have as complete sets of foreign educational publications as possible.

Mr. TAWNEY. To what extent does the Library of Congress supply your needs?

Mr. BROWN. Our collection in education is much better than that of the Library of Congress, in general. The library of Congress of course is stronger on the side of copyrighted books.

Mr. LIVINGSTON. Are you endeavoring to establish a library of reference for the sake of having a library? What is your purpose?

Mr. BROWN. Our purpose is simply to make the best possible working library for a central educational office.

Mr. LIVINGSTON. But what do you mean by "working?" What is it for, what will you use the reference library for?

Mr. BROWN. For reference on the part of the specialists in the office.

Mr. LIVINGSTON. Purely for reference?

Mr. BROWN. Purely for reference. It is not for general use.

Sec. GARFIELD. Dr. Brown, can you give the Committee or send to them, a statement of the kind of books that we now have in the library, after cutting out these 25,000 volumes that were sent away; and give in detail the character of the publications that you want to buy from the annual appropriation.

Mr. BROWN. Yes.

Mr. TAWNEY. That will facilitate our work considerably.

Mr. BROWN. With reference to the statistical division. I should like to emphasize the fact that I am daily in the closest possible cooperation with the other related offices of the government. As regards the library, the Bureau is in constant cooperation with the Library of Congress, and every effort is made to avoid duplication. Some things can be better done in the special office, while other things can be better done at the general library.

Mr. TAWNEY. What does the special work in your Bureau relate to?

Mr. BROWN. It relates to the field of the financial side, the administration side, and the educational side of educational institutions of every grade whatever in this country, and in foreign countries.

Sec. GARFIELD. And we work in connection with the public schools of the country through the state commissioners of education, and the various state divisions. You emphasize that constantly.

Mr. BROWN. We emphasize that constantly.

Mr. LIVINGSTON. Do you cover the whole field of education, mining, manufacture, agriculture and all of those subjects?

Mr. BROWN. All of those subjects are covered in the report. We have to deal with them all.

The request for \$12,000 for the collection of statistics does not mean that the statistics in the annual report are to be increased in volume. That is not the purpose. We paid out of this appropriation for the preparation of a good many of the bulletins that are in part only statistical in the narrowest sense, but which contain statistical information along with other information. It is largely for the sake of increasing the effectiveness of the bulletins of the office that I have asked for that increase.

Mr. BINGHAM. For the salaries for the Bureau of Statistics in the Department of Commerce and Labor, we appropriated \$70,000 for this year. They ask for \$83,000 for next year. The Bureau of Statistics is general in its returns upon almost all questions relative to statistics. Is yours an entirely new proposition, or do you make an inroad upon the lines of work now done by the Bureau of Statistics?

Mr. BROWN. Not in the least.

Mr. BINGHAM. In other words, your proposition then is entirely along the field in connection with education?

Mr. BROWN. Purely in connection with education.

Mr. BINGHAM. Not outside of it?

Mr. BROWN. Nothing outside of it.

Mr. BINGHAM. And the Bureau of Statistics does not touch you at all?

Mr. BROWN. Excepting incidentally.

Mr. BINGHAM. Does the Census touch you?

Mr. BROWN. To some extent, yes.

Mr. BINGHAM. Does it not touch you to a very large extent?

Mr. BROWN. In communication with the Director of Census with reference to a closer division of the labor between those offices, I will say that that matter has not progressed far enough so that I can make a statement.

Mr. BINGHAM. But could he not do it as well as you do, after all? Is there anything in the limitation of the statute that would exclude his doing your line of work?

Mr. BROWN. What is needed in dealing with statistics is not simply to collect them but to arrange them in view of their bearing. In order that that arrangement may be intelligent it should be done in connection with the educational office.

Sec. GARFIELD. Allow me to make a statement right there. I have gone over very fully with the Director of Census and the Bureau of Statistics, when I was in charge of the Department of Commerce and Labor, and have had all of these facts before us to see how best to handle the statistics. The Census Office compiles annual statistics of their school enumeration, and simply records the number there at a certain date. The Bureau of Education gets them annually, and uses them not merely for the purpose of giving the numbers, but for deducing from them interesting and valuable facts regarding educational methods and systems. That will be published in these bulletins and presented to educators of the different states, to the end that they may see from year to year what is being done in the other states. That will be covered by this appropriation of \$12,000.

Mr. BINGHAM. How frequently will they be issued?

Secretary GARFIELD. As frequent as the facts will warrant.

COLLECTING AND DIFFUSING INFORMATION, INDUSTRIAL EDUCATION.

Mr. BINGHAM. Have you anything additional to file?

Mr. BROWN. The central thing in what we are asking for, the thing upon which we are laying especial stress, is the new investigation and the employment of additional experts.

Mr. TAWNEY. Let me say right there that it is not necessary to take up any time on that before the Committee. It is new legisla-

tion. This Committee could not carry that in any appropriation bill. You would have first to get authority from Congress by the passage of a bill authorizing that service before we could appropriate any money for it. It would go out on a point of order if we carried it in this bill because it is new legislation. This service is not now authorized, and you are asking us to authorize it. We have not that jurisdiction here.

Mr. BROWN. Mr. Chairman, with all deference, it seems to me that this is simply the carrying out of the statutory provisions. I am not asking for anything that I do not understand to be carrying out those provisions.

Mr. BINGHAM. Perhaps you are not familiar. The Secretary himself has said to us, in his hearings, in regard to some matters pertaining to the rules of the House, that he is not familiar with them. The House has a Committee on Education. Your proposition is distinctively new legislation. Submitted by this Committee to the House in simply what is called an appropriation bill under the statute, it would be subject to a point of order which could be made by any member of the House who might desire to do so. Your proposition should go to the Committee on Education. That is what that Committee is for.

Secretary GARFIELD. Upon this matter, I will say that I will take it up with Dr. Brown and communicate with the Committee on Education.

DEPARTMENT OF JUSTICE.

STATEMENT OF HON. CHARLES J. BONAPARTE, ATTORNEY-GENERAL, ACCOMPANIED BY MR. HENRY C. GAUSS, PRIVATE SECRETARY.

OFFICE OF THE ATTORNEY-GENERAL.

SALARIES PLACED ON STATUTORY ROLL.

Mr. BINGHAM. Page 284. Your appropriation for the current year is \$232,860, and your estimate for next year \$392,890. Will you please state generally, without going into details, because this signifies a reorganization in your department, what you wish to do. Just make a general statement, and that will more quickly dispose of a good many of your propositions.

Attorney-General BONAPARTE. In the first place, Mr. Chairman, the principle upon which the Department has acted was the one suggested to it by the Committee at the hearings last year, namely, that so far as possible, places and employment should be taken out of lump appropriations and put upon the statutory roll. As, of course, the members of the Committee no doubt know, the work of the Department of Justice has grown very rapidly, and from time to time it has been necessary to make what I would call makeshift arrangements to dispose of the additional work. These arrangements, originally temporary, have now become practically permanent, and it was intimated as the opinion of this Committee, and an opinion in which I personally fully coincided, that it would be advisable now to place a large number of these positions, which are practically permanent positions—although originally supposed to be only for temporary purposes—on the statutory roll of the Department.

Mr. BINGHAM. Without interfering with the continuity of your statement, will you state right there what available fund for carrying out this line of temporary work you have still standing to your credit in your department?

Attorney-General BONAPARTE. At the present moment, I could not give that from memory.

(Later:) I find that the balances of the several lump appropriations on January 1, 1908, were as follows:

Defending Suits in Claims against U. S., 1908.....	\$28,000.00
Pay of Special Assistant Attorneys, U. S. Courts, 1908.....	75,778.04
Prosecution of Crimes, 1908.....	36,932.31
Enforcement of Anti-Trust Laws, 1907-08.....	146,708.92
Defense of Suits before Spanish Claims Commission, 1908.....	55,080.61
Punishing Violations of the Intercourse Act and Frauds, 1908.....	1,500.00
Defense in Indian Depredation Claims, 1908.....	20,940.00
Care of Rented Buildings, 1908.....	4,600.00

Mr. BINGHAM. You may send it to the Committee. You have a basis of discretionary expenditure in connection with this increased work which you say your Department has been lodged with?

Attorney-General BONAPARTE. I can give you that if you desire. It will be necessary undoubtedly to allow still a certain amount of discretionary expenditure for litigation, especially when so much of it is under comparatively newly enacted law and it is something of which you can not state the volume in advance. But these estimates have been prepared for the purpose of reducing them so far as practicable, and wherever we have felt reasonably sure, that there could be no doubt that the services of the counsel and employes involved would unquestionably be needed during the present year, they have been placed upon the statutory roll.

That is the first broad general statement that I want to make.

In the next place, an attempt has been made in these estimates to enable the Department by means of its own permanent force, to deal with cases of a peculiar character which are arising all the time in different parts of the country, and to reduce the necessity for employment of special counsel. I believe that it will tend to a more thorough protection of the government's interests on the whole, and that it will be attended, in the end, by economy. With a view to this result, I have suggested the appointment of two other Assistant Attorneys-General, and of one other General Counsel.

I have also made a suggestion which looks in the same direction, that is to say, a moderate, a very moderate increase of salaries of the higher members of my force. In no case has the proportion of this increase been as large as the increase which Congress gave to the head of the office last year, and in no case, I can quite safely say, would the increase be less deserved.

Mr. TAWNEY. Do you think we should reduce your compensation?

Atty. Gen. BONAPARTE. I do not advise that, for the sake of my successor. I shall not hold the office long enough to make it proper for me to make that suggestion.

Mr. BINGHAM. You said two assistants, but you ask for four.

Atty. Gen. BONAPARTE. Two of those are merely assigned from other rolls to this roll.

Mr. TAWNEY. Right there. Your proposed increases here consist of transferring to your Department certain assistant attorneys-general who are now serving as attorneys-general in defense of the

Spanish War Claims, in the enforcement of the anti-trust laws, and so on. Do you transfer them to your office at the same rate of compensation that they are now receiving in the capacity in which they are serving, or do you increase their pay?

Atty. Gen. BONAPARTE. I recommend an increase of pay for the present seven assistant attorneys general of \$1000 each, including the assistant attorneys general charged with defense of Spanish War and Indian depredation claims whose transfer to the statutory roll is recommended.

Mr. TAWNEY. There is nothing to indicate the extent to which you increase their pay. Can you give any statement of the increases?

Atty. Gen. BONAPARTE. In the estimates the Solicitor General is increased from \$7500 to \$9000. The office of Solicitor-General is an important one, and he ought to be a lawyer capable of meeting the very best lawyers in the country before the Supreme Court. An officer now known as the Assistant to the Attorney-General, and whose name I have suggested to change to Chief Counsel, is the person who is sometimes colloquially known as "The trust buster"; in other words, Mr. Purdy. I recommend his increase from \$7000 to \$8000. His office was created, as the Committee will no doubt remember, with a view to providing counsel for the department to attend specially to suits for the enforcement of the antitrust laws, and he is very fully employed in that capacity. It is a division in which a very good lawyer is needed, and I do not think the amount recommended would be regarded as excessive by anyone.

Mr. BINGHAM. Is it a change of name that is material?

Atty. Gen. BONAPARTE. It is only material for the reasons given in my report. The principal objection to it is that, in the first place, his present title is somewhat cumbrous; in the next place he is sometimes mistaken for an Assistant Attorney-General, which he is not. He is a somewhat superior person in that respect; he is something more than an Assistant Attorney-General.

Mr. TAWNEY. As a matter of fact, is it not true that his real designation as Assistant to the Attorney General is in keeping with the line of his employment? He is employed in the Department of Justice, over which the Attorney-General presides; he is assistant to you. Does "Chief Counsel" indicate as clearly what his relations are to the Department as the term "Assistant Attorney-General?"

Atty. Gen. BONAPARTE. Yes, sir; there are a great many other assistants to the Attorney General at present.

Mr. TAWNEY. If you give him the title of Chief Counsel, would that create any doubt in the minds of the public as to who was the superior officer, the Attorney-General or the Chief Counsel?

Atty. Gen. BONAPARTE. I hardly think so. Of course the titles are matters of very subordinate importance, but not wholly unimportant, and I believe that they would tend to a better comprehension of the services of the officer. This officer is not my assistant in my general work as Attorney-General.

Mr. BINGHAM. If you were absent, who would take your place, if there is no one under the law to take your place?

Atty. Gen. BONAPARTE. He can do it. The Solicitor-General is the first and he is the second. The several Assistant Attorneys-General assigned to the office come after; but the special duty of this officer was to advise the Attorney-General in connection with litiga-

tion of a peculiar character, that is to say, litigation arising under these antitrust laws and interstate commerce laws.

Mr. LIVINGSTON. What fund is he paid from?

Atty. Gen. BONAPARTE. From the general fund. He is a statutory officer.

Mr. TAWNEY. I want to get at the meat of this proposition. Your recommendation is to increase from five to nine the Assistant Attorneys-General.

Atty. Gen. BONAPARTE. From seven to nine really. There are seven.

Mr. TAWNEY. The language is five to nine. Now one of those nine you transfer from "Defense in Indian Depredation claims"——

Atty. Gen. BONAPARTE. Two of those. I simply generalized their employment.

Mr. TAWNEY. There is one transferred from "Defense in Indian Depredation claims."

Atty. Gen. BONAPARTE. Yes, there is one transferred from defense in Indian depredation claims, and one transferred in defense of suits before the Spanish Claims Commission.

Mr. TAWNEY. "Three United States counsel to be appointed by the Attorney General"——

Atty. Gen. BONAPARTE. Two of those are already employed and at that salary, but they are paid out of the lump appropriations.

Mr. TAWNEY. Just give us the salary which the one transferred from the defense in Indian depredation claims is receiving now.

Atty. Gen. BONAPARTE. That one receives \$5000.

Mr. TAWNEY. And you ask for an increase of \$1000 for him?

Atty. Gen. BONAPARTE. \$1000 for him.

Mr. TAWNEY. And one transferred in defense of suits before the Spanish Claims Commission.

Atty. Gen. BONAPARTE. He gets \$5000.

Mr. TAWNEY. That would be an increase of \$1000 in his case.

Atty. Gen. BONAPARTE. Yes.

Mr. TAWNEY. The next is three United States counsels to be appointed by the Attorney General at \$5000 each. (One transferred from pay of special assistant attorney, one transferred from enforcement of anti-trust laws). So those three are receiving the same compensation now that you propose to give them, to wit, \$5000 per annum.

Atty. Gen. BONAPARTE. Two of them, yes. One of them is to be a new officer. The addition to the force consists of two assistant Attorneys General and one Counsel. The two other Assistant Attorneys General, who are now employed, but whose occupation is limited to particular duties, I propose to generalize so that I can utilize them for other work if opportunity presents.

Mr. TAWNEY. Further on, on page 285, I observe, in brackets, that your department recommends the omission of the language now carried in the current appropriation: "Two assistant attorneys, at \$3000 each; two assistant attorneys at \$2750 each; four assistant attorneys at \$2500 each; one assistant attorney at \$2400; two assistant attorneys at \$2000 each; assistant attorney in charge of dockets, \$2500." Do you propose to drop all of those?

Atty. Gen. BONAPARTE. That is simply a change of name.

Mr. BINGHAM. There are twelve of those I see.

Atty. Gen. BONAPARTE. That is merely a change of name. Instead of calling them assistant attorneys—there is so much assistant and so much attorney, in the designation of the officers of the department, that I recommended that they be all styled Solicitors. It leads to some confusion, a good deal of confusion in the newspapers, between the several different classes of officers. These are at present all designated as assistant attorneys. That is a different thing from a United States attorney; it is a different thing from an Assistant Attorney General; it is a different thing from a special assistant to the Attorney-General, and still a different thing from a special assistant to an United States Attorney.

Mr. BINGHAM. Why wouldn't the better designation be an attorney; two attorneys at \$3000; two attorneys at \$2000, and so on?

Atty. Gen. BONAPARTE. I think that tends somewhat to confusion with the United States Attorneys throughout the different districts. These matters of nomenclature are comparatively of minor importance.

Mr. TAWNEY. Here is our difficulty, Mr. Attorney-General, in making up appropriations by law. We have these changes recommended from time to time as the head of the department changes. Each comes here and each has a different idea as to the proper nomenclature, in the designation of the subordinates in his department. The Committee has tried to keep them as uniform as possible. I was asking for information as to whether the word "Attorney" would not comport more nearly to the exact status of the man in the department. I grant you that assistant attorney is not a good designation.

Atty. Gen. BONAPARTE. My own impression is, and I have given it some little thought, that by calling them United States Solicitors, you would come pretty nearly to a designation that would not be readily confused, with anything else.

Mr. TAWNEY. As a lawyer, isn't it a fact that the term "Solicitor" implies a degree of ability and standing that is somewhat above what the compensation allowed to these men would imply?

Atty. Gen. BONAPARTE. No, I think not.

Mr. LIVINGSTON. Please look at the top of that page, No. 285, and see how inconsistent that language is, "Nine assistant Attorneys-General" and so forth. Strike out the "Assistant" and strike out the "General," all through the whole bill, and make it read "Nine attorneys, \$6,000," and so on. That simplifies it so that everybody will understand it.

Mr. TAWNEY. Aside from the nomenclature, where do you take up these twelve Assistant Attorneys and designate them as solicitors?

Atty. Gen. BONAPARTE. It comes right after, I think.

Mr. TAWNEY. Yes; 12 United States solicitors.

Attorney-General BONAPARTE. The numbers are given under each salary, I think. I think we have a memorandum there. Yes, here is the memorandum. There are 12 United States solicitors at \$3,000. Two are as assistant attorneys. They are now on the statutory roll. One is transferred from the appropriation for the "enforcement of anti-trust laws."

Mr. BINGHAM. That is a lump sum?

Attorney-General BONAPARTE. Yes; that is a lump sum. Seven are transferred from the appropriation for "defending suits in claims against the United States."

Mr. BINGHAM. Is that a lump sum?

Attorney-General BONAPARTE. That is a lump sum. Two are transferred from the pay of special assistant attorneys.

Mr. BINGHAM. Those that are from the lump sum, if you desire, could be continued in the lump sum, could they not, or is it sufficiently large?

Attorney-General BONAPARTE. Oh, yes, if the Committee considers it advisable to continue them in the lump appropriation, that can be done; but it was with a view of meeting the views of the Committee—which I want to say I entirely agree with—that these changes were largely made. I thought that this would tend to give the Committee a better means of controlling the appropriations than the present method, and so far as that is practicable, it is desirable.

Mr. BINGHAM. But, Mr. Attorney-General, if we do that and put it on the law that we make, your lump sum would still remain.

Attorney-General BONAPARTE. This is all for next year.

Mr. BINGHAM. Yes, I know that. If you have a lump sum, your lump sum remains with you?

Attorney-General BONAPARTE. We have expected it to be reduced to a certain extent, and in our estimates we have explained what reductions might appropriately be made. Here [indicating document] is a statement of the appropriations that have been reduced. Thus in "defense of suits in claims against the United States" we transferred \$44,140 to the statutory roll. We decreased our estimate by \$40,000. That leaves a net increase of \$4,140 as a result of that operation. In the pay of special assistant attorneys we transferred \$18,800, and we decreased our estimates by \$13,000, showing an allowance of \$5,800 for the probable increase of business of next year. From the "prosecution of crimes" we transferred \$31,850, and decreased our estimates by \$25,000.

Mr. BINGHAM. What do you say your estimates were?

Attorney General BONAPARTE. For next year.

Mr. BINGHAM. Yes, but in what bill?

Mr. TAWNEY. They are in the Sundry Civil bill.

Attorney General BONAPARTE. Now in the next fiscal year, in "enforcement of anti-trust laws," we transferred \$8,000; but we did not make any reduction in the estimate.

Mr. TAWNEY. Where did you transfer that \$8,000 to?

Attorney General BONAPARTE. To the statutory roll.

Mr. TAWNEY. Where did you get authority to do that?

Attorney General BONAPARTE. I was speaking of the estimate. Then in "defense of suits before the Spanish Treaty Claims Commission" we have transferred \$5,000 and reduced our estimate \$2,000. In the "violation of intercourse acts," we have transferred \$1,800. We have dropped that appropriation of \$4,000 from the estimates. In the "defense of Indian depredation claims" we have transferred \$5,000 and decreased the estimates by that amount. In the "care of rented buildings" we have transferred \$10,000. That, however, is really an increased expense, is it not, Mr. Gauss?

Mr. GAUSS. No. The appropriation is used entirely for paying watchmen, messengers, laborers, charwomen, and similar service in the care of the buildings and because of the proposed transfer of these employees to the statutory roll, the appropriation has been omitted from the estimates.

Attorney General BONAPARTE. Those two appropriations, then, the "violation of intercourse act" and "care of rented buildings," have been dropped altogether, from being carried in the Sundry Civil bill.

Mr. TAWNEY. And transferred to this bill?

Attorney General BONAPARTE. Yes; the employees affected are transferred to the statutory roll.

Mr. TAWNEY. Now, General, it is almost impossible for the Committee to get an intelligent understanding of the bill as it is printed from the estimates, and almost impossible to understand just what number of people you are transferring from other rolls to the statutory roll, and also the salaries which they are receiving now and the amount of increases.

Attorney General BONAPARTE. You mean in the increase of salaries?

Mr. TAWNEY. Yes.

Attorney General BONAPARTE. There is no increase in the subordinate legal force except in one instance. In that instance I raised the salary of one gentleman from \$2,750 to \$3,000. That is Mr. Harr. All the other salaries except those I have mentioned are exactly the same.

Mr. TAWNEY. You transferred \$7,000 in "defending suits in claims against the United States?"

Attorney General BONAPARTE. Yes.

Mr. TAWNEY. What compensation are they receiving?

Attorney General BONAPARTE. That is given on the list. They receive the same as in the bill. In other words, there is no change in their compensation at all, with that single exception.

Mr. LIVINGSTON. There is one thing you have not made plain, Mr. Attorney-General: These assistant attorneys that we have given you from time to time for specific purposes—we discover that you pick them all up and put them on the statutory roll. You have not shown us the necessity of those attorneys being made permanent. What has become of the work they were assigned to? Is that work ended?

Attorney General BONAPARTE. No. It has been found that it is practically permanent in its nature.

Mr. TAWNEY. In order to get this entire force together, to know what amount we were spending for services in the Department, it was suggested last year that the estimates be submitted with such salaries as the Department might see fit to recommend.

Mr. LIVINGSTON. Was that on the Sundry Civil bill?

Mr. TAWNEY. Either here or on the Sundry Civil bill?

Mr. COURTS. I think the discussion took place before both subcommittees.

Mr. TAWNEY. It was considered advisable to carry the force all together, so that we would know just what we were appropriating and for what purpose. Now, I see in "defending suits in claims against the United States" on this statement that you submit here, there are ten men receiving, according to this statement, salaries of \$3,500 and \$3,000; two at \$3,500 and the other eight at \$3,000. That is as you estimate for here, in this book.

Attorney-General BONAPARTE. Yes, and as it is now.

Mr. TAWNEY. You do not increase the salaries of any of those?

Attorney-General BONAPARTE. We do not increase the salaries of any of these men except one under another appropriation, Mr. W. R. Harr, who is now getting \$2,750; a net increase of \$250. We increase that to \$3,000.

Mr. BINGHAM. In other words, Mr. Secretary, you fixed all these salaries that are now carried in the lump sum appropriation?

Attorney-General BONAPARTE. Yes. They had been fixed prior to my incumbency, but I continued them.

Mr. BRICK. What is the reason for increasing Mr. Harr?

Attorney-General BONAPARTE. His salary is really insufficient for the work he has done. He has assisted me in a number of cases in the Supreme Court, and he is undoubtedly a man of merit. I think he is worth more than \$3,000, and I put him on that plane as being at least on a level with those others getting \$3,000. There is one case where there is a vacancy at the present moment, but that merely relates to an individual. The position is the same.

Mr. TAWNEY. The salary is not changed?

Attorney-General BONAPARTE. No, sir.

Mr. TAWNEY. This statement which you submit here shows the number of assistant attorneys-general and assistant attorneys?

Attorney-General BONAPARTE. Not assistant attorneys-general.

Mr. TAWNEY. And special attorneys, does it not?

Attorney-General BONAPARTE. Not the number of assistant attorneys-general, but it does of the others.

Mr. TAWNEY. But it shows assistant attorneys, and special assistant attorneys that are transferred or proposed to be transferred now from the lump sum appropriation to the statutory roll in your Department?

Attorney-General BONAPARTE. It does.

Mr. TAWNEY. It also shows the salaries which they are now receiving under lump sum appropriations?

Attorney-General BONAPARTE. It does.

Mr. TAWNEY. It does not show, however, any increase in salaries proposed, and I will ask you, for the purpose of making it clear in the record, whether any of these salaries mentioned on this list and paid from lump sum appropriations are increased in this proposed transfer to the statutory roll as submitted in your estimate?

Attorney-General BONAPARTE. One, the salary of the position now held by Mr. W. R. Harr, is increased from \$2,750 to \$3,000.

Mr. TAWNEY. All the rest are transferred from the lump sum appropriation to the statutory roll at the same salary that they are now receiving?

Attorney-General BONAPARTE. They are, I speak now, of the legal force of the Department. As I shall indicate farther on there is a readjustment and slight increase in the compensation of some of the examiners and in transferring the clerical force of the office of the Assistant Attorney General in charge of the defense of suits before the Court of Claims there were necessary some slight increases to make the salaries previously paid conform to the regular classification of the Department. With these exceptions the transfers from the lump appropriations to the statutory roll have been entirely without increase of salary in any case.

Following is the memorandum referred to:

DEPARTMENT OF JUSTICE.

Appropriations merged into the Regular Roll.

Defending Suits in Claims against the U. S.		
Mr. Trainer.....	\$3,500	
Mr. Thompson.....	3,500	
Mr. Ashford.....	3,000	
Mr. Kincheloe.....	3,000	
Mr. Anderson.....	3,000	
Mr. Campbell.....	3,000	
Mr. Faust.....	3,000	
Mr. Coles.....	3,000	
Mr. Collins.....	3,000	
Mr. Cox.....	1,800	
1 Clerk (now \$1700).....	1,800	
1 Clerk.....	1,400	
1 Clerk (now \$1100).....	1,200	
4 Clerks at \$1000.....	4,000	
1 Clerk at \$900.....	900	
2 Clerks at \$900 (now \$840).....	1,800	
2 Clerks at \$900 (now \$720).....	1,800	
2 Assistant messengers at \$720.....	1,440	
		\$44,140
Special Assistant Attorneys.		
Mr. Burch.....	\$5,000	
Mr. Hughes.....	3,250	
Mr. Howard.....	3,000	
Mr. Harr.....	2,750	
Mr. Lewis.....	2,500	
Mr. Strickland.....	2,300	
		\$18,800
Prosecution of Crimes.		
Mr. La Dow.....	3,000	
Mr. Finch.....	2,750	
2 Examiners at \$2500.....	5,000	
4 Examiners at \$2250.....	9,000	
2 Examiners at \$2000.....	4,000	
4 Examiners at \$1800.....	7,200	
1 Clerk.....	900	
		\$31,850
Enforcement of Anti-Trust Laws.		
Mr. Pagan.....	\$5,000	
Mr. Graves.....	3,000	
		\$8,000
Defense of Suits before Spanish Treaty Claims Comm'n.		
Mr. Brown.....	\$5,000	\$5,000
Violation of Intercourse Acts.		
Mr. Brewster.....	\$1,800	\$1,800
Defense in Indian Depredation Claims.		
Mr. Thompson.....	5,000	5,000
Care of Rented Buildings.		
1 Clerk.....	1,000	
2 Messengers at \$840.....	1,680	
4 Assistant Messengers at \$720.....	2,880	
1 Watchman.....	720	
2 Laborers at \$660.....	1,320	
1 Head charwoman.....	480	
8 Charwomen at \$240.....	1,920	
		10,000
Total amount of salaries transferred from lump sum appropriations to the regular roll.....		
		\$124,590

Recapitulation Statement of Salaries transferred from Lump Appropriations to Regular Roll.

Defending Suits in Claims against the United States.	
Transferred.....	\$44, 140
Estimates decreased.....	40, 000
Pay of Special Assistant Attorneys.	
Transferred.....	18, 800
Estimates decreased.....	13, 000
Prosecution of Crimes.	
Transferred.....	31, 850
Estimates decreased.....	25, 000
Enforcement of Anti-Trust Laws.	
Transferred.....	8, 000
No reduction in estimates (\$250,000).	
Defense of Suits before Spanish Treaty Claims Commission.	
Transferred.....	5, 000
Estimates reduced.....	2, 000
Violations of Intercourse Acts.	
Transferred.....	1, 800
Appropriation dropped (\$4,000).	
Defense in Indian Depredation Claims.	
Transferred.....	5, 000
Estimates decreased.....	5, 000
Care of Rented Buildings.	
Amount transferred.....	10, 000
Appropriation dropped (\$10,000).	

Mr. BINGHAM. And therefore, Mr. Secretary, in the other bill where these estimates are carried the estimates for your Department will take full recognition of the submission of these estimates to this Committee?

Attorney-General BONAPARTE. Yes.

Mr. TAWNEY. And the amounts are deducted from the other estimates?

Attorney-General BONAPARTE. The third page will show the deductions from the lump-sum appropriation in the new estimates.

Mr. BINGHAM. Then on the face of the exhibit in the Book of Estimates, which shows in the sum total \$60,000, it is not really, although on its face it so appears, an increase in the allowance for your Department, because you reduce in your other estimates?

Attorney-General BONAPARTE. That is true, subject to the qualifications that I made in the commencement of my statement, as to the increases of salaries to the higher staff and my recommendation of two additional Assistant Attorneys General and one additional Counsel.

FORCE OF EXAMINERS.

I will mention that there is one place in which I am going to ask for a very slight increase over the estimate submitted, and that is as to the force of examiners.

Mr. BINGHAM. Is that in addition to what appears in the Book of Estimates?

Attorney-General BONAPARTE. Yes; in addition to what appears here. It is a very slight increase, and was called to my attention by an incident that Mr. Tawney is aware of; that I was called upon by one of the examiners, who entered into quite an explanation of the reasons which made his salary inadequate. I looked into that question then with some little care, and I came to the conclusion that while as the matter now stood, it would be impracticable to do any-

ing for that particular man, nevertheless he was one of those gentlemen who ought to have some increase, and we ought to recast the salaries of the examiners; and in a letter to the Chairman of the Committee—

WNEY. I have that letter—

General BONAPARTE. I suggested a change which involved an increase, about eleven hundred hollars on the whole, but make practicable the readjustment of the compensation more satisfactorily.

NEY. Your letter will be considered in connection with that when we come to make up the bill.

BINGHAM. Now, Mr. Secretary, you have made the general ruling of your proposition by your general explanation a matter of more easy disposal, legislatively, than it appears to be in print in the Book of Estimates.

Attorney-General BONAPARTE. I think I can show the Committee very readily, in the letter I will write, just how much actual increases will be involved.

Mr. BINGHAM. In other words, we do not want anybody to be able to say we increased your Department \$160,000 when the fact is some of it may be transferred.

Attorney-General BONAPARTE. Yes.

Mr. BINGHAM. Are you convinced that you will handle your administration much more successfully by this change of names and office and work?

Attorney-General BONAPARTE. I am convinced, Mr. Chairman, that I will handle it, on the whole, decidedly better. I will say that there is good reason to suppose that the expense to the Government will be lessened by having at my disposal a larger number of lawyers of a class such as that of the assistant attorneys-general, and thus being enabled to avoid the employment of special counsel in cases in which it is now expensive to employ them.

Mr. BINGHAM. You will give us, then, a list of your additional people all through?

Attorney-General BONAPARTE. Yes. I have that now, if it is desired. [Reads:]

New positions—Legislative Bill.

Two Assistant Attorneys General, at \$6000 each.....	\$12000
One United States Consul.....	5000
Administrative Assistant.....	4500
One Examiner.....	2000
Two clerks class 2, \$1400.....	2800
*Assistant engineer.....	900
*One messenger.....	840
*One laborer.....	660
*One fireman.....	720
*Three charwomen, at \$240 each.....	720

We had to have another building for work in connection with the defense of suits before the Court of Claims, and these are employees engaged to take charge of that building.

* These were appropriated for in the Urgent Deficiency Bill.

DEFENSE OF SUITS BEFORE SPANISH TREATY CLAIMS COMMISSION.

Mr. BINGHAM. Mr. Secretary, in the matter of the defense of suits before the Spanish Treaty Claims Commission, that is a line of work that your Department is doing now?

Attorney-General BONAPARTE. It is at present. There is a special assistant attorney-general designated for that purpose. One of my suggested changes is the placing of that assistant attorney-general among those in my office, so that if I find it possible I can utilize him for other work as well as for the defense of claims before the Spanish Treaty Claims Commission.

ADMINISTRATIVE ASSISTANT.

Mr. BINGHAM. Now, looking at page 290, the new matter there—

Attorney-General BONAPARTE. That refers to this question of Administrative Assistant. I would like to explain that so that the Committee may understand it. I suppose the Committee understands that the Attorney-General has a great deal of administrative work; questions of discipline, and of appointment, and of compensation, and of arrangement of duties, and of finance, which has nothing to do with legal duties at all. In order to find any time to attend to my strictly legal duties, that is to say, to the conduct of suits in the Supreme Court, the giving of opinions, the passing on applications for pardon and other matters of that character, and the general legal advice of the Government, it is indispensable, and has been found so, for the Attorney-General to delegate the mere routine part of this administrative business to some one. The custom that has been followed, substantially I think, by all my recent predecessors and now followed by me, has been to attend myself to all the correspondence that involved any possible question of policy or that was more than a mere routine matter, and let the remainder of the work be attended to, sometimes by one of the assistant attorneys-general or sometimes by another. Now this work is not to their liking at all, and if it were concentrated on one man it would very seriously interfere with the discharge of his professional duties. All of their time is very fully employed—I speak of those in my office—and therefore I distribute it among them. But that is objectionable for two reasons. In the first place, somebody has to make the distribution, has to determine what correspondence comes to me and what correspondence goes to whoever is discharging those routine duties. In the next place it is objectionable because there is sometimes a want of continuity in regard to matters, and even in a small matter, a matter involving very little money, or on a comparatively trifling subject there may result more or less inconvenience to the Department later. Therefore I have suggested here the appointment of an officer to whom I could delegate this administrative duty.

I do not want in anywise to diminish the responsibilities of the Attorney-General. I want those responsibilities to remain exactly the same as they are now. But I wish to have a man who can be responsible for all routine administrative matters, under and subject to the supervision of the Attorney-General, so as to relieve my professional assistants of that work which is distasteful to them, which interferes with the more important duties they are called upon to perform, and which necessarily, for the reasons I have stated, is not

as efficiently performed as it would be by one person whose mind is not distracted by other matters and who would have merely the financial and disciplinary work of the Department to transact, subject to the Attorney-General.

Mr. BINGHAM. That you can do under your present force, as estimated for?

Attorney-General BONAPARTE. Under my present force I can not delegate the work except to my assistant attorneys and special assistants; I can not delegate the authority asked for in this bill. At all events, it is very doubtful if I can, and I would not want to undertake to do it, even if we have money enough in the appropriation for the Department to pay for it. It does not seem to me that it is the kind of thing to be done except by some one on the statutory roll, specifically authorized by Congress.

Mr. TAWNEY. What officer in your Department now performs the duties corresponding to the duties which you could give here to the proposed administrative assistant?

Attorney-General BONAPARTE. Well, the correspondence is sorted out partly by Mr. Field, the chief clerk, and partly by Mr. Gauss, my private secretary. The correspondence is attended to by the various assistant Attorneys-General and the Solicitor-General and assistant to the Attorney-General. They are not assigned in any regular order, but it is the understanding that that person will be selected to whom it is most convenient that day, and that too great a burden shall not be placed on anyone.

Mr. TAWNEY. At the end of this paragraph, in the two provisos, you desire to delegate authority to this administrative assistant to sign your name as Attorney-General in all administrative, financial and disciplinary matters?

Attorney-General BONAPARTE. Yes, that is what I suggest.

Mr. TAWNEY. You think it is advisable to delegate authority as broad as that in matters pertaining to the administration and financial department of your office?

Attorney-General BONAPARTE. That is what is done now by that particular assistant attorney-general who from time to time is charged with the work.

Mr. TAWNEY. The proviso reads, "That the administrative assistant above mentioned shall be authorized to sign the name of the Attorney-General in all administrative, financial, or disciplinary matters." I take it that that refers to the administrative assistant on page 285.

Attorney-General BONAPARTE. A suggested new officer.

Mr. TAWNEY. Yes, and you propose to delegate to him the authority to sign the name of the Attorney-General in all administrative, financial, or disciplinary matters.

Attorney-General BONAPARTE. It is not my expectation, as I have said, that that shall in anywise diminish the responsibilities of the Attorney-General.

Mr. TAWNEY. I understand that.

Mr. BRICK. You are making that a matter of law which you have now the power to do by request, and have it under your control?

Mr. TAWNEY. The question I ask is whether you should want to give him statutory power and delegate to him the authority to sign your name in all administrative, financial, or disciplinary matters?

Attorney-General BONAPARTE. The law prescribes who shall be acting Attorney-General in his inability to attend to any particular case, or in his absence. This legislative action here is not covered by existing law, and that is why he needs this delegation of authority. In other words, such an Administrative Assistant can not act as Attorney-General by designation of the Attorney-General, but that is not exactly what I want, because I do not want to intrust him with the legal part of my duties, the professional part of my duties, at all.

Mr. LIVINGSTON. You want to make his acts legal?

Attorney-General BONAPARTE. Yes. I do not consider it necessary to entrust him with the performance of my legal duties, but I want him to be authorized to act in these routine matters which I am obliged to delegate to some one, and which at the present time I must delegate to one or the other of the assistants.

Mr. TAWNEY. Now, General, you can not of course assume that the gentleman who is now acting in that capacity, or who would act in that capacity, shall continue to act in that capacity for all time; and when we provide this new position here it is with a view, of course, to its being a permanent position. But would not this language give, to a man who did not have the judgment and fairness that the present occupant or the man you propose appointing has, the opportunity of doing a great many things in the administration of your Department that might be absolutely injurious to the service, when you clothe him with the power of signing your name in all matters pertaining to the finance, administration and discipline of your force? It is an authority which no head of a Department has ever asked for.

Attorney-General BONAPARTE. It is just exactly what is actually done by at least two Departments that I know something about. I think that the person ought to be somebody who should be selected by the Attorney-General for that specific purpose, and that the Attorney-General should have absolute responsibility and be held responsible for everything that he does. But I think that he should be a man who would be authorized to attend to this routine work, which must be attended to by somebody and which experience shows me the Attorney-General can not attend to.

Now when I first went in there I tried to attend to the whole correspondence myself. That did not last very long, because it was simply impossible, unless I was going to give the whole of my time to that work, and I really thought it was not economical to have me give up my time to it. I found that the system I adopted, with more or less individual variations, had applied under all my predecessors. It had been indispensable that the Attorney-General should get rid of this routine work.

I would like to say to the Committee that my experience in my present office shows that the Government needs very much to give its law officers time to attend to their duties. Unquestionably if any private citizen, having litigation involving such very large sums of money and questions of such far reaching importance as the Government has, obliged his lawyer to attend to it under the conditions that surround the Attorney-General, he would be regarded as a very unwise person; and it is very difficult now—the most difficult thing you can imagine—to get time to really study up a case so as to properly present it before the Supreme Court, or properly to prepare an

opinion on it for the President or for one of the heads of Department. I never have felt, in any case that I have tried before the Supreme Court, that I was prepared as I ought to have been prepared to deal with it, and I think that the amount of necessary interruption there is in an office like mine—I am not now referring to bores, or cranks, or people of that kind, but by people whom the Attorney-General really ought to see, members of the House and Senate who want to see him on matters of important business and counsel, and people of that kind—the amount of necessary interruption is so great that he must, in order to give himself any time at all, try to delegate some of his duties. He must delegate such matters as questions whether a man's accounts shall be approved, and there may perhaps be \$25 that you have some doubt about, although that might be an important question because it might involve a precedent; and in that case the administrative assistant would refer it to the Attorney-General. But generally there ought to be somebody to whom those things could be referred. Now I think this will tend to make the assistants in my office foot-loose and enable me to get more work out of them, and to get them to attend, with less burden to themselves, to their really legitimate legal duties, which are very important legal duties.

Mr. LIVINGSTON. General, could not that trouble you speak of now be simply controlled by the administration of the Department? Can you not put upon one of these numerous assistants that you have, any duty you please?

Attorney-General BONAPARTE. I can; but there is no man in the Department who occupies just the position that I want to assign this man to. At present I do delegate it, as I say, to my assistants. They are supposed to be lawyers, who help me in regard to my professional duties. They are entirely subject to my orders, and they do attend to this routine work. But I do think I ought to have the opportunity to detail some one to do it for me.

Mr. LIVINGSTON. The only thing you have now to do is, when one of these "subs" prepares a case for you, if you prefer, to merely sign your name.

Attorney-General BONAPARTE. That is as to legal matters?

Mr. LIVINGSTON. Yes, anything; accounts, for example.

Attorney-General BONAPARTE. Anybody authorized by law to act as Attorney-General can sign my name.

Mr. BINGHAM. That is done now?

Attorney-General BONAPARTE. Yes; that is done now. A large proportion of the correspondence now is signed by the acting Attorney-General.

Mr. TAWNEY. If we are going to create this position, would it not be better to describe his duties in this way than in the way you propose, by fixing his authority by statute: Put in over here at the end, where you provide for it, a provision to the effect that he shall perform such duties in connection with the administration of the office of Attorney-General as may be assigned to him from time to time, and then you can assign to him the duties specifically, so far as the law is concerned, and that will hold you absolutely responsible for all his acts.

Attorney-General BONAPARTE. That would be perfectly satisfactory, I think. It is perfectly satisfactory to me, so far as I can think now. It would accomplish the purpose I have in view.

LAW CLERK IN OFFICE OF SOLICITOR OF INTERNAL REVENUE.

Now on page 287 there is a very small matter, but it is a matter as to which I had a letter of inquiry from the Chairman. The Solicitor of Internal Revenue wants to have his clerk transferred from the roll of the Treasury Department to the roll of the Department of Justice. She is now acting as a law clerk, although she has not the title. She is acting as a law clerk to the Solicitor of Internal Revenue. He wishes her transferred to the roll of the Department of Justice, to have her get the name of a law clerk and have her receive an increase of compensation so as to make it \$2,000. I know nothing about the lady personally at all. She is strongly recommended by her employer, and he is very anxious that she should have that.

Mr. TAWNEY. What class is she in now?

Attorney-General BONAPARTE. She is an \$1,800 clerk.

Mr. BINGHAM. A fourth-class clerk.

Attorney-General BONAPARTE. The bill does not provide for that. They are two law clerks, as you will notice, on page 287 at \$2,000 each. I have two.

Mr. BINGHAM. They are with you now?

Attorney-General BONAPARTE. Yes; and this would make it three. If the Committee decides to let her come in and give her that increase of compensation, I have not the slightest objection. The idea is that she should discharge the same duties as she is discharging now and be borne on our rolls. She is detailed now from the Treasury Department to the office of the Solicitor of Internal Revenue.

TRANSFER OF CLERKS TO STATUTORY ROLL.

There is an item on page 290 to enable the persons who are now holding these offices under lump appropriation to be transferred to the statutory roll—

Mr. BINGHAM. We have not gone through the civil service?

Attorney-General BONAPARTE. Some of them have been appointed from the Civil Service lists. I have, since my incumbency, directed that all temporary and lump sum employees shall be secured from the eligible lists of the Civil Service Commission.

Mr. LIVINGSTON. In other words, you want to appoint them yourself, without being bothered by the civil service law?

Attorney-General BONAPARTE. I think these people now in those positions ought unquestionably to occupy the new statutory places.

Mr. TAWNEY. I am glad to hear that from the chief advocate or exponent of civil service reform in this country. [Laughter.]

CONTINGENT EXPENSES.

Mr. BINGHAM. The next item is "Contingent Expenses," on page 291?

Attorney-General BONAPARTE. I have here a statement, Mr. Chairman, of the appropriation for 1908, the expenditures in 1907 and the estimate for next year.

Mr. TAWNEY. How much of the appropriation for 1908 remains unexpended?

Attorney-General BONAPARTE. I would have to get further information; that does not appear. I have here what we spent in 1907.

Mr. TAWNEY. You spent \$2,500 in 1907.

Attorney-General BONAPARTE. On what?

Mr. TAWNEY. "Contingent expenses, Department of Justice." The appropriation was \$2,500. You got no deficiency appropriation, but a thousand dollars additional for 1908.

Attorney-General BONAPARTE. That was only for furniture and repairs. The amounts were slightly increased in each instance over what they were in 1908, except for rent, which is the same, and session laws, that is the same.

Mr. TAWNEY. That comes in another appropriation. There is a specific appropriation for session laws. For contingent expenses you had \$2,500 for the fiscal year 1907. You had \$3,500 for the fiscal year 1908, and your estimate for 1909 is \$3,750?

Attorney General BONAPARTE. Yes, sir; that is for the item of furniture and repairs.

BOOKS FOR LAW LIBRARY.

The next item is books for the law library.

Mr. BRICK. That is increased \$250?

Attorney General BONAPARTE. Yes, sir.

SESSION LAWS.

The next item is session laws and that is the same?

BOOKS FOR SOLICITOR, DEPARTMENT OF COMMERCE AND LABOR.

Mr. TAWNEY. There is an increase of \$50 in the next item, "Books for office of the Solicitor of the Department of Commerce and Labor." Have you not found \$300 sufficient for that purpose this year?

Attorney General BONAPARTE. That is more than I can say off-hand. That has not yet run out. Last year the expenses were \$285. There is a constant tendency in all those expenses to increase a little and I made a slight increase all through these items for that reason.

Mr. BINGHAM. In all lines of what you might call "contingent" you have a gradual increase?

Attorney General BONAPARTE. Yes, sir. The only one in which the increase is large or is noticeable is in the question of printing and binding.

Mr. BINGHAM. That does not come before us; it is in the Sundry Civil bill.

MISCELLANEOUS EXPENDITURES.

Mr. TAWNEY. In the item "For miscellaneous expenditures" there is a very large increase?

Attorney General BONAPARTE. The appropriation last year was \$18,000 and that I increased to \$20,000.

Mr. TAWNEY. Three thousand dollars of the \$18,000 was on account of furnishings and equipment for the new building you had rented. That necessity will not exist in the year 1909?

Attorney-General BONAPARTE. We have got, of course, to keep it up; it is an additional expense to that extent.

Mr. TAWNEY. Yes, you have to keep it up, but that amount was intended for furnishing and equipping. In addition to that you had a thousand dollars under another head in the sundry civil bill, making \$4,000 in all.

Attorney-General BONAPARTE. I think that was for rent.

Mr. TAWNEY. That is practically an increase of \$5,000 over your current appropriation. Why is that necessary?

Attorney-General BONAPARTE. I put that in simply to be sure that we would have enough. I am told by Mr. Gauss that the new building is really costing us quite a little additional sum. Whether it will amount to as much as \$5,000, I do not know. I do not suppose it will.

There is one matter that I suppose this is the proper point to speak about, and that is as to the picture of my predecessor.

Mr. TAWNEY. How much do you estimate it will cost?

Attorney-General BONAPARTE. \$850.

Mr. LIVINGSTON. Where is the estimate?

Attorney-General BONAPARTE. It has not been estimated for. It is rather a delicate matter. I would not want to have the Department of Justice subjected to any criticism over the question of the purchase of his picture. There is, however, a picture of him, said to be a good likeness and with which he is satisfied, which can be purchased for \$850. I do not think the price is excessive.

HORSES, WAGONS, HARNESS, ETC.

Mr. TAWNEY. In the next item: "For official transportation, including purchase, keep, and shoeing of animals, and purchase and repairs of wagons and harness," you ask for an increase. What do you include in "official transportation?"

Attorney-General BONAPARTE. Horses, wagons, harness, carriages, and all those sorts of things. There are no salaries in that item.

Mr. TAWNEY. What do you mean by "official transportation?" Could a man in the office be sent out into the country or to the Pacific coast and be paid out of this appropriation?

Attorney-General BONAPARTE. No, sir. It means horses, wagons, carriages, harness and things of that kind in the Department. I believe I am the only person authorized to use the carriages, according to my understanding of the law, unless it is the people I choose to put in them. There are also a certain number of baggage wagons and things of that kind. We have five horses.

Mr. LIVINGSTON. Why not call that "official carriages, etc.?" Then you will not be charged with sending people to Seattle.

RENT OF BUILDINGS.

Mr. TAWNEY. At the bottom of the page your estimate for 1909 is in excess of your current appropriation "For the rent of buildings and parts of buildings in the District of Columbia used by the Department of Justice." This appropriation was increased by the Sundry Civil bill to the extent of \$1800 for a specific purpose?

Atty. Gen. BONAPARTE. That is due to the new building for Court of Claims work. There is just \$1800 difference to cover this rent for the next fiscal year.

OFFICE OF SOLICITOR, DEPARTMENT OF COMMERCE & LABOR.

There is one more increase of salary an item in the office of the Solicitor of the Department of Commerce and Labor, which is theoretically, I believe, a part of the Department of Justice. It appears on page 295. The Solicitor of the Department of Commerce and Labor, wishes an increase of \$250 for the chief clerk, and, I think, that sentiment is shared by the incumbent himself.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., January 28, 1908.

HON. JAMES A. TAWNEY,
*Chairman, Committee on Appropriations,
House of Representatives.*

MY DEAR MR. TAWNEY: I enclose herewith the re-statement of the positions under the Department of Justice, in accordance with the suggestion made. I have included, in connection with the Administrative Assistant, the empowering language as suggested by you, and, as it would be of material value to put the system I suggested in operation as soon as possible, so as to save the time of legal assistants during the busy season, I have also included the words "to be immediately available." As stated by me before the Committee, the only increases included in the list of positions as they are now presented to you are as follows:

Solicitor General, \$1,500; Assistant to the Attorney General or Chief Counsel, \$1,000; each Assistant Attorney General, \$1,000; 1 Solicitor increased from \$2,750 to \$3,000; Supply Clerk and File Clerk each from \$1,800 to \$2,000; 1 Examiner now at \$2,250 transferred to \$2,500; 1 Examiner now at \$2,000 transferred to \$2,250; 2 Examiners now at \$1,800 transferred to \$2,000; and the Chief Clerk and Law Clerk, Office of the Solicitor of the Department of Commerce and Labor, increased from \$2,250 to \$2,500.

In addition to the foregoing, in making up the list of positions to be transferred from the appropriation "Defending Suits in Claims Against the United States," slight increases have been made in order to make the salaries conform to the usual classifications, as follows: 1 Clerk, now at \$1,700, transferred to \$1,800; 1 Clerk, now at \$1,100, transferred to \$1,200; 2 Clerks, now at \$840, transferred to \$900; 2 Clerks, now at \$720, transferred to \$900—the latter being the lowest clerical grade in the Department. The total increase for persons now in the service is \$11,980.

In connection with the increases suggested for the Supply Clerk and the File Clerk, I may say that by reason of readjustments of the work of the Department additional work and responsibilities have been placed upon the persons performing similar services, and I am of the opinion that the slight increase and additional importance given to these places is amply justified.

New positions are asked as follows:

Two Assistant Attorneys General, \$6,000 each; 1 Special Counsel at \$5,000; 1 Administrative Assistant at \$4,500; 1 Examiner at \$2,000, and 2 additional clerks of class 2, together with the several messengers, laborers, etc., indicated in the hearing, who were provided for under the Urgent Deficiency Bill. In addition to the foregoing the position of Assistant Examiner of Titles, transferred from

the appropriation "Pay of Special Assistant Attorneys," has been reduced from \$2,300, the amount formerly paid, to \$2,000, the position being temporarily vacant.

For the better administration of the clerical force of the Department, the positions formerly provided for under the heading "Division of Accounts" have been merged in the positions under the heading "Office of the Attorney General." This is a matter of considerable importance, and I urgently recommend that this distinction between employees of the Attorney General's office be discontinued.

I also beg leave to answer, in this letter, your letter to me relative to the desired transfer of Miss Alexander from the roll of the Treasury Department to the roll of the Department of Justice. Miss Alexander now receives \$1,800 but the recommendation made is that she shall be provided for as a Law Clerk at \$2,000. Should this be approved by the Committee, the provision "2 Law Clerks at \$2,000 each" should be changed to read "3 Law Clerks at \$2,000 each." I have no objection to the transfer should the Committee deem it to be advisable.

I also respectfully beg to call your attention to the matter of the expenditure of \$850 for the purchase of a portrait of my predecessor, Hon. William H. Moody, from the appropriation "Miscellaneous Expenditures."

Yours, very truly,

CHARLES J. BONAPARTE,
Attorney General.

DEPARTMENT OF JUSTICE.

Salaries Department of Justice, 1909. Office of the Attorney General: For compensation of the Attorney General, twelve thousand dollars; solicitor general, nine thousand dollars; chief counsel, eight thousand dollars; seven assistant attorneys general at six thousand dollars each; one United States counsel, five thousand dollars; assistant attorney general of the Post Office Department, four thousand five hundred dollars; solicitor of internal revenue, four thousand five hundred dollars; solicitor for the Department of State, four thousand five hundred dollars; one administrative assistant, four thousand five hundred dollars, to be appointed by the Attorney General, who shall perform such duties, not of a legal character, as may be assigned to him by the Attorney General to be immediately available; two United States solicitors at three thousand dollars each; one United States solicitor at two thousand seven hundred and fifty dollars; five United States solicitors at two thousand five hundred dollars each; one United States solicitor at two thousand four hundred dollars; two United States solicitors at two thousand dollars each; examiner of titles, two thousand seven hundred dollars; chief clerk and superintendent of buildings, three thousand dollars; chief of division of accounts, two thousand five hundred dollars; private secretary to the attorney general, two thousand five hundred dollars; clerk to the attorney general, one thousand six hundred dollars; stenographer to the solicitor general, one thousand six hundred dollars; two law clerks at two thousand dollars each; one law clerk of class four; attorney in charge of pardons, two thousand seven hundred and fifty dollars; disbursing clerk, two thousand seven hundred and fifty dollars; bookkeeper and record clerk, two thousand dollars; appointment clerk, two thousand dollars; file clerk, two thousand dollars; supply clerk, two thousand dollars; librarian, one thousand six hundred dollars; six clerks of class four; sixteen clerks of class three; thirteen clerks of class two; fifteen clerks of class one; one clerk, one thousand dollars; thirteen clerks at nine hundred dollars each; chief messenger, one thousand dollars; three messengers; six assistant messengers; five laborers; one packer, nine hundred dollars; three watchmen; engineer, one thousand two hundred dollars; two assistant engineers at nine hundred dollars each; four firemen; two conductors of the elevator at seven hundred and twenty dollars each; twelve charwomen: in all, two hundred sixty-six thousand one hundred and fifty dollars.

For the following now authorized and being paid from appropriations as follows:

From the appropriation for defending suits in claims against the United States: Two United States solicitors at three thousand five hundred dollars each; seven United States solicitors at three thousand dollars each; one law clerk of class four; one clerk of class four; one clerk of class two; one clerk of class one; four clerks at one thousand dollars each; five clerks at nine hundred dollars each; two assistant messengers: in all, forty-four thousand one hundred and forty dollars.

From the appropriation for pay of special assistant attorneys United States courts: One United States counsel at five thousand dollars; one United States solicitor, three thousand two hundred and fifty dollars; two United States solicitors at three thousand dollars each; one United States solicitor at two thousand five hundred dollars; one assistant examiner of titles, two thousand dollars: in all, eighteen thousand seven hundred and fifty dollars.

From the appropriation for prosecution of crimes: One superintendent of prisons and prisoners, three thousand dollars; one chief examiner, two thousand seven hundred and fifty dollars; three examiners at two thousand five hundred dollars each; four examiners at two thousand two hundred and fifty dollars each; five examiners at two thousand dollars each; one clerk at nine hundred dollars: in all, thirty-three thousand one hundred and fifty dollars.

From the appropriation for enforcement of the anti-trust laws: One United States counsel at five thousand dollars; one United States solicitor at three thousand dollars: in all, eight thousand dollars.

From the appropriation for defense of suits before Spanish Treaty Claims Commission: One assistant attorney general, six thousand dollars.

From the appropriation for punishing violations of the intercourse acts and frauds: One clerk of class four.

From the appropriation for defense in Indian depredation claims: One assistant attorney general, six thousand dollars.

From the appropriation for care of rented buildings: One clerk at one thousand dollars; two messengers; four assistant messengers; one watchman; two laborers; one head charwoman at four hundred and eighty dollars; eight charwomen: in all, ten thousand dollars.

Provided: That all persons employed on June 30, 1908, under the appropriations "Defending Suits in Claims against the United States," "Prosecution of Crimes," "Punishing Violations of the Intercourse Acts and Frauds," and "Care of Rented Buildings, Department of Justice," may be, in the discretion of the Attorney General, transferred to the places provided for them under the appropriation "Salaries, Department of Justice, 1909," without reference to the act entitled "An Act to Regulate and Improve the Civil Service of the United States," approved January 16, 1883, and without reference to the rules and regulations promulgated thereunder.

Office of the Solicitor of the Treasury: For Solicitor of the Treasury, four thousand five hundred dollars; assistant solicitor, three thousand dollars; chief clerk, two thousand dollars; two law clerks at two thousand dollars each; two docket clerks at two thousand dollars each; two clerks of class four; two clerks of class three; two clerks of class two; one assistant messenger; one laborer: in all, twenty-eight thousand four hundred and eighty dollars.

Office of the Solicitor of the Department of Commerce and Labor: For Solicitor of the Department of Commerce and Labor, four thousand five hundred dollars; chief clerk and law clerk, two thousand five hundred dollars; two clerks of class four; two clerks of class three; three clerks of class two; three clerks of class one; one messenger: in all, twenty-two thousand four hundred and forty dollars.

FRIDAY, *January 31, 1908.*

POST-OFFICE DEPARTMENT.

[See also page 412.]

STATEMENT OF HON. GEORGE VON Lengerke Meyer, Postmaster-General, accompanied by Mr. George G. Thomson, Assistant Chief Clerk of the Department.

OFFICE OF POSTMASTER-GENERAL.

[See also page 412.]

Mr. BINGHAM. Mr. Postmaster-General, we have invited you this morning, at your own request, and at our wish also, to make any general statement you desire with respect to the general terms of the bill.

CHIEF CLERK AT \$3,500.

Mr. MEYER. There are a few recommendations that we wanted to make personally to the Committee and to explain them. One was the increase of the salary of the chief clerk and superintendent. He gets \$2,500 as chief clerk, and \$500 as superintendent of the building, and I recommended that his salary as chief clerk be increased from \$2,500 to \$3,000.

Mr. BINGHAM. That is not peculiar to your Department, because we observe that is running through all the Departments. There seems to be a consistent action throughout them all, and it runs on a general line.

Mr. MEYER. That is quite true. The intention of the Cabinet officers was to make them as uniform as possible. I do not know that it is necessary for me to enumerate all the duties of the chief clerk and superintendent. I do not know whether you want me to take the time.

Mr. BINGHAM. You can file whatever statement you have there.

Mr. MEYER. Thank you. I will file it with the stenographer. The duties of the chief clerk and superintendent are quite extensive, and I feel that a man doing the same amount of work in any commercial house would command fully \$3,000 and more. The increase of \$500 is based upon the increase in the duties of the office.

Under the postal laws and regulations, the chief clerk of the Post Office Department has the general superintendence of the clerical force of the Department, the assignment of clerks to offices and divisions, the supervision of preparation of estimates, the supervision of advertising, requisitions upon the Treasury, the expenditure of the appropriations for the Departmental Service, the furnishing of stationery supplies; the consideration of requisitions for public printing and binding, the preparation of contracts for printing the Postal Guide and supervision of its publication and distribution; the miscellaneous correspondence of the Postmaster General's office; the care of the Departmental and other buildings rented in connection therewith; also the direction of the force of laborers and charwomen and the general superintendence of the watch force through the captain of the watch. A man possessing the same qualifications and holding an analogous position in connection with a commercial organization would receive a much higher salary. I think the increase of \$500 submitted is reasonable, and I wish to urge the appropriation.

Mr. BINGHAM. That is a statement of his general duties?

Mr. MEYER. Yes; and I feel that the increase of \$500 submitted is reasonable in the line of what the other Cabinet officers allow.

PRIVATE SECRETARY.

Now, as to the private secretary, I have recommended an increase from \$2,500 to \$3,000, and that, I think, is on the same line. The current appropriation act provides \$2,500 salary for each of the private secretaries of the other Executive Departments, and I understand that the other members of the Cabinet are making the same recommendation. The duties of a private secretary require considerable administrative and executive ability, and he has to come into contact with all of you gentlemen, and he should be a man who would command your respect as well as be a man of ability.

There is a peculiar situation in the Postmaster-General's office. He really has only a private secretary, and yet it is the largest Department in the Government, and the expenditures are about \$200,000,000 a year, and they double every ten years. In my annual report I stated that ten years from now the expenditures would be over \$350,000,000. In the State Department the Secretary has a private secretary, a confidential clerk, and a stenographer. It is the same way in the War Department, in the Navy Department, also in the Agricultural Department, where their force is not so extensive as ours. They have a private secretary and a confidential clerk.

CONFIDENTIAL CLERK, AND STENOGRAPHER.

It has been necessary for the Postmaster-General to have a confidential clerk and a stenographer, and the way he has obtained them is this: He has had to have assigned from the Chief Inspector's Office an \$1800 place, which is utilized to pay the salary of the confidential clerk in my office. He gets his stenographer, a \$1600 stenographer, from another part of the Postoffice Department, and that is an assignment, too; otherwise he would be without a confidential clerk or stenographer, and the work has so increased this last year that his service is necessary. Since September of last year I have been at the Department until seven or half past seven o'clock daily and my force has had to be there as late as I, and later, and I have had to have another stenographer, and he has been an assignment, too. Therefore I feel I should receive the same treatment as my colleagues in the Cabinet, because the Post-office Department is the largest now, as you all know, and should be put on the same regular basis as the State, War and Navy Departments, with a confidential clerk and a stenographer: at least one, and it ought to be two.

As I have stated, the \$1800 place belongs to the office of the Chief Postoffice Inspector. I have submitted an estimate of \$2,000 for this confidential clerk. It is intended to return the \$1,800 place to the Chief Inspector's office, where the position is needed. The confidential clerk is charged with obtaining data for answering Congressional inquiries and with the task of attending to the confidential files and reports of inspectors and with keeping the Postmaster-General advised in relation to them.

The current appropriation act shows that in five of the other Departments, the Secretaries are provided with confidential clerks at

salaries of \$2000 and \$2250. For your convenience, I submit a table to be incorporated in the stenographer's report, showing the force allowed in the offices of the Secretaries of the five Departments in question. I may also say that this recommendation was made by three of my predecessors in office.

TABLE.

Department.	Private secretary.	Confidential clerk.	Stenographer.
State.....	\$2,500	\$2,000	\$1,800
War.....	2,500	2,000	1,800
Navy.....	2,500	2,250	1,800
Interior.....	2,500	2,000	.....
Agriculture.....	2,500	2,000	.....

I have also asked for an additional \$1,800 place for the stenographer assigned to my office. He is now paid \$1,600 and is occupying a position belonging to another office. The \$1,600 place will be returned to that office where it is needed to help carry on the work.

As with the confidential clerk, this stenographer is required to do lots of high grade work and to remain at the office long after the regular departmental closing hour. I hope the Committee will provide for this \$1,800 place.

You see, under the different bureaus the work is supposed to be over at half past-four, but in the Postmaster-General's immediate office the entire force has to serve long after the regular closing time; otherwise the work would not be done. Therefore in recommending the extra \$2,000 place I am not asking for the highest salary, but the minimum. The Navy Department is allowed \$2,250 for the purpose; the other Departments \$2,000.

Mr. TAWNEY. As a matter of fact, General, there is no law authorizing the appointment of confidential clerks, is there?

Mr. MEYER. I do not know.

Mr. TAWNEY. They are not designated, in other words.

Mr. GILLET. The Navy man is not called "confidential clerk."

Mr. TAWNEY. As I now recall it, two years ago the heads of all the Executive Departments asked for a confidential service, that is, confidential clerks, and this Committee struck out the recommendation in each instance on the theory that there was no necessity for building up a confidential service in the Executive Departments. They could under the general law take a clerk and assign him to any duty.

Mr. MEYER. I do not know that the word "confidential" is necessary. The work in fact is pretty open.

Mr. TAWNEY. It may be confidential to the head of the Department, and may be it ought to be confidential; but for us to commence recognizing a confidential service was not deemed expedient.

Mr. THOMSON. It is called clerk to the Postmaster-General.

Mr. BINGHAM. You especially impress upon us your clerk to the Postmaster-General, \$2,000. In your note (a) you say one clerk at \$1,800 is now detailed from the Division of Postoffice Inspectors and in note (b) you say one stenographer at \$1,600 is transferred and included in the estimates for the office of the First Assistant Postmaster-General. You have no stenographer, save by detail?

Mr. MEYER. None, save by detail, and at present I am using two stenographers. I do not see any other way.

DISBURSING CLERK AT \$2,500.

Now we come to the disbursing clerk.

Mr. BINGHAM. You want in lieu of that an assistant chief clerk at \$2,500?

Mr. MEYER. No. I wish to say to the Committee that upon investigation, after the original estimates were submitted, I found that through inadvertence an estimate had not been submitted for increasing the salary of the disbursing clerk of the Post-Office Department. It is my desire to submit now an increase of \$250 for that official.

The salary of the disbursing clerk is \$2,250. From 1877 until 1904 the salary was \$2100. This increase of \$150 is the only one which the office has received in twenty-five years, while the growth of the office has been constant. From this salary a bond of \$40,000 must be paid for annually, which diminishes the salary very considerably.

The present disbursing clerk, with the small force of four clerks is disbursing annually \$1,666,510, and had under his supervision sixteen different appropriations consisting of salaries, post route maps, Official Postal Guides, postage, rent of buildings, stationery, fuel and repairs, lights, plumbing, telegraphing, painting, horses and wagons, indexes and filing devices, and miscellaneous items. He also receives and receipts for all moneys in connection with the sale of post route maps, from which the Department derives quite a revenue. The position is one of responsibility and requires the almost constant attendance of the disbursing clerk, for the reason that he only can sign checks for the payment of salaries and vouchers for material furnished or service rendered the Department, and also sign requisitions for certain moneys to be placed to the credit of the Department from which to make these payments. In comparing the volume of work done with that of others, this office receives less than the other disbursing offices under the Government. While some may disburse more money than the Post Office Department, inquiry has shown that such offices employ many more clerks.

The following is a list of the salaries paid to the several disbursing clerks in other Departments, for comparison:

Treasury Department, two Disbursing Clerks at \$2,500 each.....	\$5,000
Interior Department.....	3,250
War Department.....	2,500
Commerce and Labor.....	2,750
Agriculture.....	2,750
State Department.....	2,300
Navy Department.....	2,250
Government Printing Office.....	2,500
City Post Office.....	2,600
Coast and Geodetic Survey.....	2,500
Bureau of Fisheries.....	2,700
Bureau of Census.....	2,500
Bureau of Engraving and Printing.....	2,400
POST OFFICE DEPARTMENT.....	2,250

This Disbursing Clerk is now getting only \$2,250. In only one other Department is he receiving so low a salary and the salaries

run up to \$3,250. The Navy Department, I see, pays the same as the Post-Office Department, but has asked for a similar increase. I should like to go on record as asking for that increase.

ASSISTANT CHIEF CLERK AT \$2,500.

There is one other thing I should like to take up the time of the Committee for, and that is a desired increase of the salary of the assistant chief clerk. I should like to raise the salary of the assistant chief clerk to amount of the present salary of the chief clerk. His duties are very important, and he acts as chief clerk in times of absence of the chief clerk. He is called upon then to administer the duties of the chief clerk, and prepares correspondence and data for the chief clerk as well as for the Postmaster-General. He is here at the present moment. I have also detailed him to execute important commissions which involved travel to distant points in connection with matters affecting the Post-Office Department.

MR. BINGHAM. Your statements simply run to the line of increased salaries, and not for increased force?

MR. MEYER. Yes. I would like to call your attention, before you make final decision in the matter, to the fact that in the instances I have cited the Post-Office Department positions are not receiving the same salaries as the corresponding positions in the other Departments, and it is only right and proper, if the work is equally important, that they should receive the same salary. You will see, for instance, that the salaries of disbursing clerks vary from \$2,250 up to \$3,250.

MR. TAWNEY. Do you make these requests purely on the ground that men occupying corresponding positions in other Departments of the Government are receiving higher salaries than your men are receiving, or because these men deserve higher salaries on account of their services?

MR. MEYER. I place it on merit, in the first place, and in addition to that, on the fact that they are not receiving as much as those in other Departments.

MR. TAWNEY. Is it a fair basis of comparison to compare men in one Department with those in another, occupying positions similar in name but varying in character of work performed?

MR. MEYER. I think it is. The Post-Office Department is growing very rapidly, and it is doubling every ten years, as the receipts show. I do not think any other Department can show such an increase.

MR. BINGHAM. I think this, Mr. Postmaster-General: You naturally speak of the very large expenditures of over two hundred million dollars, but those are grouped mainly under two immense heads, your carriers and a well defined and fixed corps of clerks throughout the country, free delivery and all. Your great contracts for transportation, for example, are all, as it were, in the general handling of units.

MR. MEYER. But the same proportion is carried out in the receipts. In some Departments and in general business, if the receipts are not progressing in the same proportions as the expenditures, the business is not being carried on on a successful basis. That is true of a commercial establishment. It would not apply naturally to Government Departments, because their requirements, with the exception

of the Post-Office and the Treasury, are not in the way of receipts: but in the Treasury you have to cut your garment to the cloth. It so happens, if you will study the receipts of the last 50 years of the Post-Office Department, that the receipts have doubled, and also the expenditures. Ten years ago the deficit was about fourteen million dollars. The deficit this year is six million six hundred and fifty-three thousand two hundred and eighty-two dollars, notwithstanding the fact that ten years ago the rural delivery service cost only \$15,000 and the last year \$24,000,000.

Mr. BINGHAM. I understand that. I am perfectly amazed with the amount of business that is done in the Post-Office Department, and I do think that it would be fairer if there was a rate of compensation which corresponded and was on an equal basis with the other Departments, provided that there is about an equal amount of work.

Mr. GILLETT. Would you be willing to have us cut yours down where they are higher than the others, or cut theirs down where they are higher than yours?

Mr. MEYER. I would not be willing to answer for the others. I am willing to have my salary as a Cabinet officer cut down if the others are cut down. [Laughter.]

Mr. GILLETT. If you are higher in most of the salaries, perhaps you are lower in some.

Mr. MEYER. I am merely talking about what I have submitted before the committee. I would not take up such a big subject as the others.

Mr. BINGHAM. Do you think this year, in view of the big increase of four or five million dollars in clerks and carriers, independent of your increase of force, you will be able to hold your deficiency down as low as it is now?

DISCUSSION OF RURAL DELIVERY AND RURAL PARCELS POST.

Mr. MEYER. No, I do not, because there is another factor. in the increase in the rural delivery, which on account of these increased salaries will probably be ten million dollars larger. But there is a singular fact in connection with the rural delivery, and that is that there seems to be an increase of receipts. It seems that the rural delivery, while not strictly self-sustaining, does add largely to the receipts. In other words, the correspondence that goes from the rural delivery does not tell the story, because the greater correspondence comes from the centers to the people in the rural deliveries, and that is credited to the large post-offices; and it would seem as though the rural delivery, though expensive, was in a measure a self-sustaining service.

Mr. LIVINGSTON. If you will go into the smaller towns, where the rural routes come up and deliver their mails, you will notice that fact. I have noticed it this way: When routes were established I got a certain number of letters in past years. Then the service was introduced, and then I noticed a big increase in that way.

Mr. MEYER. I am fully and strongly a believer in rural free delivery. Speaking about receipts, incidentally I would like to say that I went into the question very carefully of a local special parcel post on rural routes, and the law department drew a bill of such a character that it would confine this special post to parcels emanating from a

rural route, and the bill has been carefully drawn by the law department, and it is claimed that it will not permit a mail order house to ship from some distant point by freight and then reship by rural route. If we confine the service to packages which originate on a rural route—and some towns have as many as 12 or 15 routes running out of them—any merchant in those towns could ship parcels over the rural route. If a rural messenger took only three eleven-pound packages at 25 cents a piece—11 pounds, you know, is the maximum of weight—that would be 75 cents each time a rural messenger went out, the receipts would be sufficient to have wiped out the deficit of last year. There are over 38,200 rural routes.

Mr. LIVINGSTON. It is a fact that they can carry those packages now?

Mr. MEYER. They can not carry them for a storekeeper because it was found that there were chances of collusion there, and one storekeeper would make arrangements with the carrier to the disadvantage of his competitors; but a farmer can ask to have a package brought out as a favor. But that depends upon the good-will of a rural man. I do not know whether they want to ask favors of the rural carriers. However, that arrangement is not on a business basis, and the Government does not get any receipts from it.

Mr. LIVINGSTON. If you had a parcels post the Government would be in receipt of a large amount of revenue that you do not now get.

Mr. MEYER. The rate on packages was to be fixed at about 2 cents a pound, and it was to be confined to rural routes.

Mr. BRICK. How do you confine that, General? Suppose Montgomery Ward & Co., of Chicago, were to have an agency, as they have in my town. They would get the benefit of that.

Mr. LIVINGSTON. It will be easy enough to do it, General, if you draw it so that the packages for a given county must originate in that county.

Mr. BRICK. They would originate in the county if they had an agency there.

Mr. LIVINGSTON. Not if they were shipped by freight.

Mr. TAWNEY. What is the difference between Montgomery Ward & Company's establishing an agency in the city of Winona, Minnesota, and shipping all orders that come in from the rural districts to the agency and the agency shipping them out by mail, and the merchant who buys his goods in some other place and ships in there and makes up a package and ships it out? What is the difference between the agency of the department store or mail-order house making up the package and the merchant in the city making up that package?

Mr. MEYER. There is this distinction: If the package originated outside the county the postoffice could refuse it. If Montgomery Ward & Company established an actual store or an agent with actual goods in a store and sold the goods over the counter and made up his packages in that store, they could get around it. But in order to cover the rural service they would be obliged to establish over 20,000 stores. The reason why the mail order firms get along so successfully is that they do not have agents, and do not have to redistribute their goods from the central point. As soon as they have agencies they are on the same basis as others and can not name the low prices they do now.

Mr. BRICK. Could they not, General, in a given town get a central merchant to order the goods, and yet after all it would be that merchant who, without any very great expense, would handle their goods in that way?

Mr. MEYER. The country merchant can buy where he pleases, and it does not make any difference whether he buys from jobbers or buys at wholesale or not.

Mr. BRICK. He might buy on commission.

Mr. MEYER. If he sends the original package they could not get around the law that way. I would be very glad to send this tentative bill to you, gentlemen; but I have rather a delicacy, you know, in sending bills up to Congress since the recent orders have been passed. [Laughter.]

Mr. TAWNEY. There has been no criticism of sending bills to committees, but there has been criticism of sending bills or recommendations directly to the House and Senate by Departments whose duty it is to communicate officially with these bodies through the President.

Mr. LIVINGSTON. We have two elements in our country. One is the country merchant, who opposes this bill because he says it gives the Chicago and New York man the advantage. I have gotten a dozen letters a day about it. If I had a copy of the bill I could see for myself.

Mr. MEYER. I will send you a copy and an explanatory letter that will answer those inquiries.

POST-OFFICE INSPECTORS.

Mr. TAWNEY. How many inspectors have you in the Post-Office Department?

Mr. MEYER. I do not remember, exactly. Of course the country, as you know, is divided up. There are so many inspectors in charge, and so many assistant inspectors assigned to each inspector in charge, according to the district where they work. I find that there are 377 inspectors at this time.

Mr. TAWNEY. The duty of these inspectors is to inspect post-offices?

Mr. MEYER. Yes, sir.

Mr. TAWNEY. And to inquire into any alleged violations of the postal laws?

Mr. MEYER. Yes. You know what we have to contend against is the improper use of the mails for defrauding people and——

Mr. TAWNEY. Have any of the inspectors recently been detailed to duty in Canada?

Mr. MEYER. I sent an inspector up to Canada to make an investigation of the postal savings-bank.

Mr. TAWNEY. Where do you get authority for that?

Mr. MEYER. I do not know; *pro bono publico*. [Laughter.]

Mr. TAWNEY. Is it or is it not a fact that some of these inspectors have been instructed recently to go out, not so much for the purpose of inspecting offices, as for the purpose of ascertaining what the sentiment of the public is regarding the postal savings-bank proposition and the parcels post proposition?

Mr. MEYER. No, sir.

Mr. TAWNEY. This case was cited to me by—

Mr. MEYER. There is no secret about it. The report I shall have ready for Congress at any time. I thought it was important to know the workings of the savings banks in Toronto, and the inspector whom I sent made a very thorough report. It took only a few days. He went through Canada, and then on to Chicago.

Mr. TAWNEY. We have consuls who are supposed to perform services of that kind, have we not?

Mr. MEYER. We have consuls at different places, but consuls abroad have been consulted on that matter and the information is all on file. It did not occur to me that there was any impropriety in sending an inspector to a neighboring country like Canada. The expense was very slight, \$32.10.

Mr. TAWNEY. I know; but if you can send an inspector to Canada for any purpose you can also send him to Europe or anywhere in the world.

Mr. MEYER. I do not think it has been done, to my knowledge.

Mr. TAWNEY. No; I do not think, either, that it has been done in this instance; but the precedent, once established, may be extended indefinitely.

PROSPECTIVE POSTAL RECEIPTS.

Now, General, can you give us an approximate estimate of what the postal receipts for the current year will be?

Mr. MEYER. I do not see how I could, unless you can tell me whether or not to what extent business will fall off or increase.

Mr. TAWNEY. Up to the present time, by comparing the receipts with the corresponding months of the past year, what is the result?

Mr. MEYER. I have looked into December transactions. I went to New York and examined into the receipts, and I learned from Mr. Morgan, the postmaster, to my surprise, that there was a slight increase in December.

Mr. TAWNEY. In the office in New York?

Mr. MEYER. Yes. I took that as a center which had been affected perhaps as much as any place, and I supposed it would show a falling off; but on the contrary it showed a slight increase. The same is true of the largest 50 offices.

Mr. BINGHAM. That was for the month of December?

Mr. MEYER. Yes, sir.

Mr. BINGHAM. It means an annual infall to your offices in that month. December, you know, is the month for the summing up of all accounts, and that counts very heavily. How was it in the preceding months?

Mr. MEYER. My recollection was that for the five or six months there was an increase over the corresponding period of the previous year, not a falling off, except in November.

Mr. TAWNEY. Could you give us a comparative statement, and send it to the Committee, of the receipts during the first six months of the current fiscal year as compared with the corresponding months of the previous fiscal year?

Mr. MEYER. From the first of July to the first of January? .

Mr. TAWNEY. Yes.

Mr. MEYER. I will do so at once, so far as practicable.

INCREASED BUSINESS OF THE DIVISION OF DEAD LETTERS.

Mr. BINGHAM. In the Division of Dead Letters, which shows the largest increase in the whole Book of Estimates, there are now 155 clerks on a basis of \$159,000, and the superintendent asks for 177 clerks, 22 additional, which would increase the cost from \$159,000 to \$182,000. What has been the marked exceptional increase in that department of work? What does it come from?

Mr. MEYER. I believe the work has accumulated, as I understand, in the Division of Dead Letters; but I do not know how to account for it except that the mass of dead letters increased, so that in order not to get behind-hand and to get it up to date it required an additional clerical force. That comes under the Fourth Assistant Postmaster-General. I remember his reporting that to me and saying that it was necessary, in order that they should be able to do more effective work.

Mr. BINGHAM. It increases abnormally?

Mr. MEYER. Yes, exceptionally so.

Mr. BINGHAM. You are asking for it for next year, you know.

Mr. MEYER. You must also remember that the number of immigrants coming to the country is increasing immensely, and many of them are ignorant of our customs and language, and they are apt to make errors in addressing letters. That fact accounts for some of the increased work thrown in the division.

OFFICE FOURTH ASSISTANT POSTMASTER-GENERAL.

Washington, January 31, 1908.

Mr. JAMES C. COURTS.

*Clerk, Committee on Appropriations,
House of Representatives.*

MY DEAR MR. COURTS: The Assistant Chief Clerk of the Department informs me that the question was asked the Postmaster-General this morning, when he was before the Committee, as to the reason for the estimates for increased force in the Division of Dead Letters. Permit me to say in explanation that when the Division of Dead Letters was attached to this Bureau, about two years ago, it was the practice, on account of the insufficient clerical force, to destroy many thousands of letters that were returnable to the writers: in other words, the force would return letters to its capacity and all letters remaining were destroyed. In re-organizing the Division of Rural Delivery and the Division of Supplies, it was found feasible to reduce the force in these divisions, and the surplusage was transferred to the Division of Dead Letters with the view of returning every letter that came to the division which contained the writer's name and address. We have now reached the point where this is possible, and the estimates for increased force in this division are to cover the clerks who have been detailed from the other divisions since the appropriation for the current year was made. In addition, the natural growth of the service necessitates a proportionate increase in the number of employees, although, by reason of improved methods in the Division of Dead Letters, the standard of efficiency in the force has been materially raised.

Your attention is respectfully invited to the notes accompanying the estimates for the Division of Dead Letters.

Very respectfully,

P. V. DE GRAW.

Fourth Assistant Postmaster-General.

THURSDAY, JANUARY 30, 1908.

POST-OFFICE DEPARTMENT.

[See also page 402.]

STATEMENTS OF MR. MERRITT O. CHANCE, CHIEF CLERK; MR. F. E. McMILLIN, CHIEF INSPECTOR; MR. WILLIAM E. COCHRAN, PURCHASING AGENT; MR. R. P. GOODWIN, ASSISTANT ATTORNEY-GENERAL; MR. FRANK H. HITCHCOCK, FIRST ASSISTANT POSTMASTER-GENERAL; MR. A. L. LAWSHE, THIRD ASSISTANT POSTMASTER-GENERAL; MR. P. V. DEGRAW, FOURTH ASSISTANT POSTMASTER-GENERAL, ACCOMPANIED BY MR. G. G. THOMSON, ASSISTANT CHIEF CLERK OF THE DEPARTMENT, AND MR. A. M. TRAVERS, CHIEF CLERK TO THE THIRD ASSISTANT POSTMASTER-GENERAL.

OFFICE OF POSTMASTER-GENERAL.

[See also page 402.]

MR. CHANCE. Mr. Chairman, the Postmaster-General would like to speak to and appear before the Committee personally in regard to the following increases: The chief clerk and superintendent, private secretary, confidential clerk to the Postmaster-General—

MR. LIVINGSTON. We will hear you on them.

MR. CHANCE. He will speak on them. I do not want to say anything on them because I am in it. I am one of them. It affects me. He wishes to speak concerning increases for those and also for the stenographer to the Postmaster-General, the disbursing clerk, the appointment clerk, and the assistant chief clerk.

MR. BINGHAM. We will eliminate your consideration of those.

MR. CHANCE. That goes down the middle of page 264, as far as the printing clerk.

PRINTING CLERKS.

MR. BINGHAM. Very well; printing clerks now detailed from the Government Printing Office?

MR. CHANCE. Yes, sir. For the past three years there has been detailed to this office from the Government Printing Office a clerk who is engaged wholly in supervising the work of printing and binding for the Post Office Department. That is to say, all requisitions for printing and binding pass through his hands. He scans all these requisitions very carefully and makes suggestions and criticisms as only a printer can. As a result of his labors, the Post Office Department has been able to save approximately \$40,000 during the past fiscal year. This statement was made verbally by the head bookkeeper of the Government Printing Office. This is a very large sum representing as it does almost one-ninth of the total allotment, and it is thought is in itself the strongest kind of an argument for the maintenance of a printing section composed as it is now of two practical printers. The Post Office Department is granted an allotment of \$350,000 for printing and binding and in the disbursement of this sum, from which all printing and binding for the entire service is paid, great care must be exercised to secure the best possible result.

There is also an estimate submitted for a \$1,600 clerk to be detailed as assistant to this printing clerk. The present incumbent of the \$1,600 place is a man likewise detailed from the Government Printing Office and is a practical printer. The Post Office Department wants to urge most earnestly the allowance of these two places believing that it is in the interest of the service and that it will result in a great saving to the Government.

Now they are paid from the funds allotted from the Post Office Department to the Government Printing Office. They are detailed from the Government Printing Office.

Mr. BINGHAM. In other words, they go on the Sundry Civil bill? The sum-total goes there?

Mr. CHANCE. They are men from the Printing Office detailed to the Post Office Department.

Mr. LIVINGSTON. Why do you want that detail from the Government Printing Office left off?

Mr. BURLESON. They want to carry them in this bill as employees of the Post Office Department rather than have them detailed from the Government Printing Office?

Mr. CHANCE. Yes.

Mr. BRICK. Why the change, and what is the benefit of the change? I do not fully understand it yet. Would it be cheaper to do it that way than now?

Mr. CHANCE. No; it would be a little more regular, and they would be on the regular rolls of the Post Office Department.

Mr. LIVINGSTON. Does that mean you are going to establish a bureau of printing inside of the Post Office Department?

Mr. CHANCE. No. We are going to have two printers there, to pass upon these requisitions before they go to the Government Printing Office. We have them there now, and they are paid from the lump sum of \$350,000 allotted to the Post Office Dept. for printing.

Mr. BINGHAM. I am rather disposed to think that the detail is unlawful, doing their work in your Department and being paid for by the Public Printer. How long has that been running?

Mr. CHANCE. They have been there in the neighborhood of two years.

Mr. BINGHAM. Does this increase their salary?

Mr. CHANCE. No, sir.

Mr. BINGHAM. The Public Printer pays it now, and you think it ought to be paid by your Department?

Mr. CHANCE. Yes.

Mr. BINGHAM. Therefore you would establish in your Department an independent bureau of printing?

Mr. CHANCE. It would not be an independent division, it would simply be a section of the chief clerk's office.

Mr. BRICK. What advantage would it be?

Mr. BURLESON. Mr. Brick, we have repeatedly said here that we did not want employees in one Department to be carried by detail from their Department.

Mr. BRICK. That is the main idea.

Mr. GOODWIN. These men do not do any printing.

Mr. BINGHAM. Go right on down to the next item.

ADDITIONAL CLERK OF CLASS 4.

Mr. LIVINGSTON. That is a promotion.

Mr. CHANCE. The estimate submitted for a clerk of class 4, at \$1800 per annum, in lieu of a clerk of class 3, at \$1600 per annum, is brought about by the fact that in the office of the Chief Clerk of the Post Office Department there is but one \$1800 place which is filled by a clerk who acts as Assistant Superintendent of Buildings. This additional \$1800 place is desired in order that the Chief Clerk's office may have at least one clerical position at that grade, and as something for the clerks of the lower grades in the Chief Clerk's office to look forward to. It is thought that the high grade of work demanded of the clerks in this office warrants this increase.

Mr. BINGHAM. That is simply a promotion?

Mr. CHANCE. Yes, sir.

Mr. BINGHAM. To promote a third class clerk to the position of fourth class clerk. Is there a proper examination for that promotion?

Mr. CHANCE. No, there is no real examination for that.

Mr. BINGHAM. Is there any rule in your Department that there must be an examination in the promotion of your clerks?

Mr. CHANCE. No, sir.

Mr. BINGHAM. Then it is discretionary with the Postmaster-General to promote?

Mr. CHANCE. Yes.

Mr. BINGHAM. Then go on.

ASSISTANT ENGINEERS.

Mr. CHANCE. The next is assistant engineers.

Mr. BINGHAM. What do they receive?

Mr. CHANCE. One thousand dollars each. Request is made for an increase in the salaries of three assistant engineers. There are now employed in the Post Office Department eight assistant engineers. It is desired to increase three of these assistants to \$1,200 each. The reason for asking for this increase is based upon the fact that the Post Office Department experiences considerable difficulty in retaining engineers of a sufficiently high class to be rated as assistant engineers in an engine room containing so many intricate machines and so many fine pieces of mechanism. It is our experience that men capable of performing this work are able to secure much higher salaries in other places.

It frequently happens that assistant engineers employed in this Department are able to secure other positions at a higher rate of pay. This means that in the past several of the best men in the engine room in this Department have accepted other positions, and we have been compelled to go to the Civil Service Commission for new men. The appropriation is urged because we believed that much better service in this Department can be secured if the men now working there have some incentive for the highest class of work in the shape of an increased remuneration. High class mechanics are necessary.

Mr. BINGHAM. That is this needed increase?

Mr. CHANCE. Yes. That is for three men. We have eight of them and we want three of them at that increase.

PRINTING CLERKS (AGAIN).

Mr. LIVINGSTON. Will you look at that [submitting provision of law] and let me ask you who construed that law out of existence down there?

Mr. BURLESON. Read it, in order that it may go into the record.

Mr. LIVINGSTON (reads):

No civil officer, clerk, draftsman, copyist, messenger, assistant messenger, mechanic, watchman, laborer, or other employee authorized, after October 1, 1882, to be employed in any of the Executive Departments, or subordinate bureaus or offices thereof, at the seat of government, except only at such rate and in such numbers, respectively, as may be specifically appropriated for by Congress for such clerical and other personal services for each fiscal year; and no civil officer, clerk, draftsman, copyist, messenger, assistant messenger, mechanic, watchman, laborer, or other employee shall hereafter be employed at the seat of government in any Executive Department, or subordinate bureau or office thereof, or be paid from any appropriation made for contingent expenses, or for any specific or general purpose, unless such employment is authorized and payment therefor specifically provided in the law granting the appropriation, and then only for services actually rendered in connection with and for the purposes of the appropriation from which payment is made, and at the rate of compensation usual and proper for such services.

Mr. CHANCE. This is following out just what has been done for years, and these men are employed purely on the printing proposition. They do nothing else at all. They could do just as well down at the Government Printing Office, but for convenience we want them in the Department where we can consult them frequently.

Mr. LIVINGSTON. Do you mean to say that convenience stands above the law?

Mr. CHANCE. No. I do not really think that is a violation of the law.

Mr. LIVINGSTON. It is like Tim Campbell's construction of the Constitution—"What is the Constitution between friends?" [Laughter.]

Mr. BURLESON. That is one of the reasons why you ask that they be carried regularly on the rolls of the Department?

Mr. CHANCE. Yes. That is one of the reasons why it is done.

Mr. LAWSHE. Are not these men doing precisely the same work in the Post Office Department that they would do in the Printing Office building, but are simply in the Post Office Department building as a matter of convenience?

Mr. LIVINGSTON. That is what he says.

Mr. LAWSHE. That is the fact.

ASSISTANT PLUMBER.

Mr. CHANCE. The next is assistant plumber. The existing appropriation provides for one plumber in this Department who is given a salary of \$900 per annum.

Therefore an estimate is made for an assistant plumber at \$720 per year. The necessity for an assistant plumber is manifest when it is known that the plumber of the Post Office Department is required to keep in good condition the plumbing in the Post Office Department building and the Annex. There is really too much work for one man and sufficient to keep two busily engaged at all times.

Mr. BURLESON. What have you been doing heretofore?

Mr. CHANCE. We have been doing the best we could.

Mr. BURLESON. You have not employed outside assistance?

Mr. CHANCE. Sometimes.

Mr. BURLESON. He has been doing the work?

Mr. CHANCE. No, not all of it. When he has a bigger job than he can handle we employ outside assistance.

Mr. BURLESON. I understood you to say No when I asked you if you do employ outside assistance.

Mr. CHANCE. We do sometimes.

DRIVERS AND FOREMAN OF STABLE.

Mr. BINGHAM. The next is driver and foreman of stable, and two drivers and hostlers. Why that large increase? Have you increased your wagons and horses?

Mr. CHANCE. It is necessary to detail from the Department's force of laborers a sufficient number of men to act as drivers of carriages and wagons and act as hostlers. This so depletes the force of laborers that this office is at all times more or less embarrassed by not having a sufficient number of men to properly take care of the laborers work in the Department. Therefore estimates have been submitted for a driver and foreman of stables at \$840 a year, 2 drivers at \$660 per annum each, who will drive the Post Office Department wagons, and one hostler at \$660 who will work at all times in the stable. The estimate is submitted for these men under the titles given, rather than submit an estimate for a number of additional laborers. We wanted these men appropriated for specifically as drivers and hostler, and if this is not allowed we will ask for four additional laborers.

Mr. LIVINGSTON. You prefer to designate them this way rather than as laborers?

Mr. CHANCE. Yes. They are employed that way now, and it depletes the force of laborers.

Mr. BINGHAM. How many have you?

Mr. COURTS. They have 30 laborers at \$660 each.

Mr. BINGHAM. You propose to increase them by that addition?

Mr. CHANCE. Yes.

Mr. LIVINGSTON. Your practice now is to take them out of that bunch of laborers?

Mr. CHANCE. Yes; they are taken out of that now, and doing this other work.

Mr. LIVINGSTON. If we give you those, that would reduce your other force how much?

Mr. CHANCE. That will increase the force by four.

Mr. BURLESON. As a matter of fact, it would be cheaper to increase your labor force, would it not?

Mr. CHANCE. Yes; if you provide four laborers at \$660, in lieu of what we ask for drivers and hostler.

ASSISTANT PLUMBER (AGAIN).

Mr. LIVINGSTON. Why do you want an assistant plumber?

Mr. CHANCE. We just passed that.

Mr. LIVINGSTON. I did not hear it.

Mr. CHANCE. There is too much work for one man to do, and we had to employ outside assistance.

Mr. BURLESON. You have been spending money for employing outside assistance for that plumber, and if we gave you the assistant plumber I suppose we could now reduce the contingent fund which you have been paying for the outside assistance for the plumbing?

Mr. CHANCE. No. We have not enough miscellaneous funds now to keep the building in proper repair. We have not enough money for the maintenance of that building. That miscellaneous fund includes the purchase of typewriters and everything else.

FEMALE LABORERS.

Mr. BINGHAM. What do female laborers do?

Mr. CHANCE. They have charge of the toilet rooms and charwomen. One of the female laborers is in charge of the force of charwomen, and the others are in charge of the toilet rooms.

DIVISION OF POST-OFFICE INSPECTORS—INCREASES OF SALARY.

Mr. BINGHAM. The next is the Division of Post Office Inspectors. The current law gives you \$90,620, and you want \$94,450.

Mr. McMILLIN. Yes, sir. We are not asking for an increase of force.

Mr. BINGHAM. Then your request runs to a line of promotions?

Mr. McMILLIN. Yes, sir. During the last year and a half the resignations in the higher grades have amounted to about 15 per cent of the force. In the year 1906 the work increased about 11 per cent, and in 1907 about 18 per cent, and we are simply asking for these promotions in order to hold efficient men and be able to carry on this work without asking for an increase of force.

Mr. BURLESON. The incentive to leave the Department now is not so strong as it was a few weeks ago, is it, Mr. McMILLIN? Since the panic they are not rushing to get out of Government jobs, are they?

Mr. McMILLIN. We have not taken that into consideration.

Mr. LIVINGSTON. Do you have any tests of efficiency for these post-office inspectors?

Mr. McMILLIN. These are clerks, not inspectors.

MESSANGER IN LIEU OF A LABORER.

Mr. BURLESON. You do ask for a messenger instead of a laborer?

Mr. McMILLIN. Yes. We think we can utilize a messenger better than a laborer.

DIVISION OF PURCHASING AGENT—TWO ADDITIONAL CLERKS.

Mr. BINGHAM. Now, Mr. Cochran, you want to promote two clerks of class four?

Mr. COCHRAN. No, sir. I want two additional clerks at \$1,000.

Mr. BRICK. That is all there is to it. What is the reason?

Mr. COCHRAN. Because I had to have details from other offices, and when they took them back from me, the work suffered.

Mr. BRICK. Do you work overtime any?

Mr. COCHRAN. Yes.

Mr. BRICK. About what percentage—how much?

Mr. COCHRAN. I could scarcely tell. They have to stay there until all orders are issued and mailed. Sometimes they finish on time, and sometimes they do not.

TEST OF PAPER AND MATERIALS.

Mr. LIVINGSTON. We have discovered here that you are purchasing paper and other materials for the Post-Office Department that are far below the specifications of the contracts. Have you submitted samples to the Bureau of Standards to see whether your contractors are coming up to the specifications or not?

Mr. COCHRAN. Oh, yes, and to the Department of Agriculture also.

Mr. LIVINGSTON. Has the Bureau of Standards made any tests for you lately?

Mr. COCHRAN. Yes, frequently.

Mr. BINGHAM. Do you find that they were perpetrating frauds on you?

Mr. COCHRAN. Frequently, yes.

Mr. LIVINGSTON. How do you propose to prevent that in the future?

Mr. COCHRAN. We only protected ourselves in the case of stamped envelopes, which the Government simply passed on to the public by imposing a penalty on the contractor. In the case of envelopes purchased for the Department we can protect ourselves by rejecting them.

Mr. LIVINGSTON. When you buy paper supposed to be composed of 80 per cent of rags and they give you paper of 50 per cent pulp, how do you protect yourself?

Mr. GOODWIN. We made one contractor pay one hundred thousand dollars on the contract.

Mr. GILLET. You have tests made of this?

Mr. COCHRAN. Yes.

Mr. GILLET. Are they now up to the specifications of the contract?

Mr. COCHRAN. Yes.

Mr. GILLET. How long have they been?

Mr. COCHRAN. About two months I should say. Mr. Lawshe has more knowledge of the details of that than I, because after the contract is executed he has to carry it out.

Mr. GILLET. Have you made any effort to get the one hundred thousand dollars back, although you sold them to the people?

Mr. COCHRAN. Yes. There was possibly no loss to the revenues of the Government except in this way, that if we had advertised for the kind of paper we actually got, we would have got cheaper bids.

Mr. GILLET. Why don't you have such loss now?

Mr. COCHRAN. Because it has gone on only for a few months, while in the other case it lasted for years.

Mr. GOODWIN. I understand the present contractor used the material that the contract called for, but that the fault was in the manufacture. The paper was not up to the grade that the contract called for. The proper proportion of rags and proportion of pulp and so on were observed and used in the manufacture of the paper, but the lack of quality was the result of the process used.

Mr. GILLET. It does not make any difference to you?

Mr. GOODWIN. It makes a difference whether it was an intentional fraud or an unintentional mistake.

Mr. LAWSHE. The chemical analysis shows that the present contractor almost invariably used contract stock so far as ingredients are concerned. The paper was somewhat deficient in tensile strength and in general appearance, but now we believe it is up to contract standard in every respect. During the first three months the paper was below standard and the Department imposed upon the contractor a fine equal to the difference between first and second grade stock. But in such cases the Department redeemed all rejected envelopes, and the contractor replaced the deficient stock in every case, of complaint at his own cost, with stock that was satisfactory and accepted.

Mr. GILLET. How much was the difference? How much did it amount to?

Mr. LAWSHE. Four thousand seven hundred and some odd dollars.

DIVISION OF ASSISTANT ATTORNEY-GENERAL—ADDITIONAL FORCE AND INCREASED COMPENSATION.

Mr. BINGHAM. Your increase is for additional force, or is it for increase of compensation?

Mr. GOODWIN. Both.

Mr. BINGHAM. Which is the larger?

Mr. GOODWIN. I ask for one additional clerk to those I have. The bill here shows several increases, but that is not entirely accurate. I have clerks in my office now that are not appropriated for my office. I want to explain that the Postmaster-General transferred to my office about a year ago the Division of Correspondence from the First Assistant's office, which was practically all legal work and was being done by the First Assistant's office instead of my office, as it should be done. With that work he transferred three clerks.

Mr. LIVINGSTON. Then do you pick them up here?

Mr. GOODWIN. They are included in my estimate—the ones that he transferred to me for that work, and that makes an apparent increase. The clerks are now in my office.

Mr. BINGHAM. That is an apparent increase to your office?

Mr. GOODWIN. Yes, and I simply ask for the appropriation to be made now to my office instead of to the office of the First Assistant.

Mr. BINGHAM. Are they dropped now in the First Assistant's office?

Mr. GOODWIN. I do not know.

Mr. BINGHAM. How long have they been with you?

Mr. GOODWIN. Since last March.

Mr. HITCHCOCK. They were dropped in the office of the First Assistant.

Mr. GOODWIN. I ask for one additional law clerk at \$1,800 a year. I want to say on that question that I have a very busy office. In addition to the regular work that I have—and my report shows something in regard to that, some twenty seven hundred written opinions in the last year—

Mr. BINGHAM. Have you any other details from the First Assistant Postmaster-General's office than those you have indicated?

Mr. GOODWIN. At the time this estimate was made I did not have. I now have one other, and that makes four. The last session of Con-

gress appropriated ten thousand dollars to my office to pay for printing the opinions of the Assistant Attorney-General. There was no appropriation made for the work of preparing those opinions for printing, and consequently the work of doing it devolves upon my office with the force we have there now.

Mr. BURLESON. You do not want to print all the opinions that have been delivered, do you?

Mr. GOODWIN. No. We do not expect to print all of them, but they have to be edited, and an index has to be prepared and a digest when they are completed, and it involves a good deal of work. I have not had sufficient force in my office to do it, and I ask for an additional law clerk to bring that work up.

Now I ask for two increases, one from \$1,400 to \$1,600, and for that \$1,800 clerk. I want to explain that I have a woman clerk in my office who has been there for 26 years, and she has been working for \$1,400 from the time whereof the memory of man runneth not to the contrary. She is very efficient and very capable. She and one other, a man who gets \$1,800, take care of the claims of losses by postmasters by fire and burglary, and so on. They dispose of 1,200 cases a year of that kind. This lady is very efficient in that line of work, and I think she is entitled to an increase from \$1,400 to \$1,600 a year.

Mr. BURLESON. Is the work she does to the Government worth \$1,600 a year?

Mr. GOODWIN. I think it is.

Mr. BURLESON. Why has she not been receiving it heretofore? The fact that she has been for 14 years doing this work does not of itself make her work worth more to the Government?

Mr. GOODWIN. The fact that she had been working for 14 years at work that was worth more than that would be an argument, I think, why she should be increased now.

Mr. GILLET. I thought you said she was in there for 26 years.

Mr. GOODWIN. She has been in the service for 26 years, but she has not been at that particular work all of that time.

Mr. BURLESON. You say her work is worth \$1,600, but it is not because she has been in the Department so long a time?

Mr. GOODWIN. The fact that she is worth more and has worked at that rate so long seems to me an argument in favor of her increase.

I ask an increase of my messenger also from \$60 to \$70 a month. He is now what is called an assistant messenger, and I want him to be ranked as a messenger and get \$70 a month instead of \$60. He also has been in the Department for a very long time. He is a very intelligent and capable fellow. My friend Colonel Livingston has seen him in the office.

Mr. LIVINGSTON. He is certainly a very competent man.

Mr. BURLESON. How long has he been there?

Mr. GOODWIN. I do not know. He has been there much longer than I have.

Mr. BURLESON. Is he more efficient than when he came there?

Mr. GOODWIN. I presume so. He does a great deal of work that is not properly the work of a messenger to do. He takes care of the files in the office to a great extent, and saves half the time of a clerk in addition to doing regular messenger work. He does not hesitate to

do any kind of work that is given to him. The work that he does is worth \$70 a month to the Government.

Mr. LIVINGSTON. Has he a family?

Mr. GOODWIN. Yes, a mother and wife and some children.

Mr. LIVINGSTON. It would be worth something to him.

Mr. GOODWIN. Yes. It would be a great thing for him. I urge that on the Committee, as a matter of justice, that that is the most just thing I am asking for.

OFFICE OF FIRST ASSISTANT POSTMASTER-GENERAL.

Mr. BINGHAM. The appropriations for your office for 1908 are \$82,050, and your estimate for the next fiscal year is \$90,800—a large addition to the sum total, which seems to come from increases of salaries. Now, let us consider only two points: First, your increase of force, and why necessary. Tell us what your increase of force will be, and what is the need of it.

INCREASE OF 10 EMPLOYEES.

Mr. HITCHCOCK. We ask for 10 additional employees. They are all clerks, Mr. Chairman; two additional clerks in the \$1,800 grade, two in the \$1,600 grade, two in the \$1,400 grade, two in the \$1,200 grade, and two in the \$1,000 grade. Those are the new places requested.

Mr. BINGHAM. And promotions will be made from existing classes? Is that correct?

Mr. HITCHCOCK. In some cases.

Mr. LIVINGSTON. I wish you would state the number of new places and the number of promotions in that paragraph.

PROPOSED TRANSFERS FROM OTHER DEPARTMENTS.

Mr. HITCHCOCK. In some cases we shall fill those positions by promoting clerks from the lower grades. In other cases it is probable that we shall secure high-grade employees by transfer from other branches of the service.

Mr. BINGHAM. You mean from your own Department?

Mr. HITCHCOCK. From other branches of the postal service, or from other Departments of the Government. I do not mean to give the impression that all these places will be filled by promotions in my bureau. It is possible that we shall want to strengthen the bureau by appointing men to some of the higher positions from other Departments.

Mr. LIVINGSTON. Then that branch of the service will suffer if you do it.

Mr. BURLESON. No; it is within the Post-Office Department. I do not understand, Mr. First Assistant Postmaster-General, that you are going to transfer your men from the Navy Department or other Departments?

Mr. LIVINGSTON. That is what he said.

Mr. BURLESON. Do you mean to say you are going to try to increase the compensation here of such clerks in your Department with a view to tolling certain clerks from other Departments to you?

Mr. HITCHCOCK. Mr. Burleson, I did not intend to commit myself as to the exact source of the clerks who will fill those positions, because that is a question that will arise when we procure the appropriation, if the Committee grants it.

Mr. BURLESON. There is a law against transferring from one Department to another.

Mr. HITCHCOCK. There is no law prohibiting transfers from one Executive Department to another, but there is a law prescribing certain limitations within which transfers can be made. As I understand it, an employee must have served for three years in one of the Executive Departments in order to be eligible for transfer to another Department. But that very law enacted by your body assumes that after a service of three years transfers will be made; otherwise you would have prohibited them altogether. It is possible that we may wish to transfer employees from some other Department if it seems to be a desirable thing when the time comes, and I do not wish here to commit myself against that plan. It is possible that an employee in some other Department will be more effective as an employee of the Government in my bureau. He may possess certain qualifications that would make him more useful in my bureau than where he is now. But all that, of course, will be considered when these positions become available, if they do become available, keeping in mind always the general interest of the whole service.

Mr. BINGHAM. Right in that connection, Mr. Hitchcock: There is no disposition on the part of the Committee to commit you to any line of action. You follow the law and the privileges under it. But we have had so many complaints in our hearings, objections filed to these transfers, that we simply in our inquiry want to know if you propose to join in that also. Perhaps you would object if your best clerks were taken from your Department. We find that in some of the Departments they refuse absolutely to permit transfers.

Mr. HITCHCOCK. General Bingham, that is an important point. I should not be able to transfer any employee from another branch of the public service to my bureau if such action were objectionable to the executive officer under whom the employee is serving.

Mr. BINGHAM. Some of them have the sentimental idea that if it is possible for a man to advance himself they do not want to stand in his way. It has been expressed almost in that language. But that is neither here nor there.

Mr. HITCHCOCK. I can say, for the information of the Committee, that in all probability these new positions, if granted, will be utilized chiefly in promoting employees now in the bureau, or in transferring employees from other branches of the postal service to the bureau.

NECESSITY FOR INCREASED FORCE.

Mr. BINGHAM. Now give us a statement as to the necessity for your ten additional employees.

Mr. HITCHCOCK. The necessity for that increase in the force of the bureau grows out of the increase in the postal business, or rather of that portion of the postal business for which my bureau is responsible. The increase in the size of the force is in keeping with the increase in that business. That is to say, the number of additional employees requested is not out of proportion to the actual growth of the business

to be transacted by my bureau. In fact, I consider our request a very conservative one. The appropriations now administered by my bureau aggregate about \$88,000,000, Mr. Chairman, and our estimates for the coming fiscal year aggregate something over one million dollars. We consider that increase necessary in order to meet the growing needs of the service, and incidentally to carry out certain recommendations that we have made to Congress for an extension of postal facilities. We have recommended, for instance, that the city delivery service be extended to offices that show gross receipts of \$5,000. You are aware of the fact that that service is now limited to offices that have gross receipts of \$10,000 or are situated in communities having a population of ten thousand. There seems to be a particularly strong demand in the country for the extension of that service.

Mr. BINGHAM. That is not new. That has been running for 20 years, has it not—that proposed reduction of the limit to five thousand?

Mr. HITCHCOCK. Not that I am aware of. The Department recommends it for the first time this year.

Mr. BURLESON. As a matter of fact, it is a fair thing to do, because the people in these small towns have no free delivery service at all, whereas the people in the country have it and the people in the cities have it. There is a hiatus there.

Mr. HITCHCOCK. You are giving in better language than I can the reasons for our recommendation. The extension of the rural delivery service throughout the country has awakened the people of the small communities to the fact that while the farmers and the people generally in the rural communities are now receiving their mail at their homes, the small towns that can not have city delivery under the present law are in a measure discriminated against. There is a gap between the two services. The people are awakening to the fact and there is consequently a strong demand from the small towns for house to house delivery service. To meet this demand we have made a recommendation for the extension of city delivery in the manner described, and if Congress acts favorably on our recommendation the increase in the force of the bureau that I am now recommending will be inadequate.

Mr. LIVINGSTON. What objection have you to changing that recommendation and letting the rural mail service extend to all cities and towns and villages under ten thousand people? Why not make it general and universal?

Mr. HITCHCOCK. Well, it seems to me, Colonel Livingston, that such action would necessitate too radical a change in the law and regulations now covering the rural delivery service. The rural delivery service as now conducted is not adapted to the conditions in communities where the delivery of mail from door to door by carriers is the proper and natural method.

Mr. LIVINGSTON. That is just what the rural delivery does.

Mr. HITCHCOCK. By foot-carriers. The rural delivery service carries the mail through sparsely-settled districts, where it is necessary to use a horse and cart. Delivery is made at boxes placed on the roadway and not at the door.

Mr. BINGHAM. Let me ask you this, Mr. Hitchcock: Have you any assurance from the Post-Office Committee that they will bring in a bill of that kind?

Mr. HITCHCOCK. No, sir; I could not have any such assurance from the Committee. The hearings of the Committee are still in progress. The bill is not even framed as yet, and of course it would not be proper for the Committee to give such assurance because the matter rests with the House itself and also with the Senate.

Mr. BINGHAM. That I understand; but you do not catch the gist. You want this for a specific purpose, an increase. A man on the floor may make a point of order to the effect that it is contrary to existing law. In that case, where are we? The point of order runs against us.

Mr. HITCHCOCK. I think you misunderstood me. I did not intend to give the impression that we were asking for these ten additional clerks on the supposition that this extension of the service is to be granted.

Mr. BINGHAM. Suppose it is granted; will you need more?

Mr. HITCHCOCK. I was just saying that if it should be granted the number estimated for would be inadequate. That is a matter that ought to receive consideration in your Committee—the possibility of favorable action upon our recommendation for the extension of the service. The ten additional places would have been recommended whether the Department had decided to submit this special recommendation or not. We ask for those ten additional places because we believe that they will be needed in order to insure a proper conduct of the bureau if the normal growth of the service is maintained. That is our reason for the recommendation.

DIVISION OF POSTMASTERS' APPOINTMENTS.

Mr. BINGHAM. Go to the next item, Division of Postmasters' Appointments. You have \$63,888 for the current year, and your estimate for the coming year is the same. You stand on that, do you?

Mr. HITCHCOCK. Yes, sir. Let me say right here, Mr. Chairman, that these ten employees would be distributed between the Division of Salaries and Allowances and the Division of City Delivery—five to the Division of Salaries and Allowances and five to the Division of City Delivery. The rapid growth of the two branches of the service over which those divisions have jurisdiction seems to demand that increase in their force. We do not ask for any increase in the Division of Postmasters' Appointments. The nature of the work performed by that division is entirely different, as you understand.

DIVISION OF CITY DELIVERY.

Mr. BINGHAM. Yes. Now go to the next item, Division of City Delivery.

Mr. HITCHCOCK. Five of those clerks would be assigned to that division; one in the \$1,800 class, one in the \$1,600 class, one in the \$1,400 class, one in the \$1,200 class, and one in the \$1,000 class.

Mr. BINGHAM. Then if those increases are conceded you do not need any increases in this paragraph for City Delivery?

Mr. BURLESON. Part of the ten already referred to are embraced in this division.

Mr. HITCHCOCK. I understand what you mean, General, and my reply is that the ten new places requested would be all that are recommended by the Bureau.

Mr. BINGHAM. The rest of your increases are promotions?

Mr. HITCHCOCK. The remainder of the increases in this item would go to specific promotions. There are three of those recommended: First, an increase in the salary of the chief clerk of the bureau from \$2,500 to \$3,000, an increase of \$500 for that officer. Second, an increase in the salary of the assistant superintendent of the Division of Salaries and Allowances from \$2,250 to \$2,500, an increase of \$250. And third, an increase from \$2,000 to \$2,500 in the salary of the assistant superintendent of City Delivery, an increase of \$250. Those three items are all that have been requested by my bureau. I see, however, that since I submitted my estimates to the Postmaster-General and without my knowledge there has been submitted also an increase in the estimate for the salary of the First Assistant Postmaster-General. On that item I have no comment to make. I was in no manner responsible for it.

Mr. BINGHAM. That is general in all the Departments.

Mr. HITCHCOCK. I was out of the city at the time this action was taken and I did not know, until I looked over the copy of our estimates this morning, that an increase had been recommended. I saw a change in the total increase. As I remembered it, the total increase was originally \$15,000. I saw that it had been increased to \$16,000, and on looking to see where the change occurred I found that it was due to this suggestion about the salary of the First Assistant.

Now I want to say just one word more, Mr. Chairman. I think it only fair that I should say it. I have considered with great care the propriety of increasing the salaries of the three officers in my bureau to whom I have referred. I mean the chief clerk and the two assistant superintendents. I feel that it is only a matter of fairness to raise their compensation to the amounts suggested. I am very earnestly in favor of it.

Mr. BINGHAM. Supposing the Committee should decide that in that line of increases running through almost all the Departments none should be increased: What would be the criticism?

Mr. BURLESON. It would not be a criticism, General. It would be a sincere regret. [Laughter.]

Mr. HITCHCOCK. I do not care to criticise any action your Committee may take. I know the composition of the Committee and I know how conscientious you are in your work. But I will say that if you decide to make any increases of that nature, I do not know of any officers in the whole range of the departmental service that are more entitled to favorable consideration than the three men I have selected for these promotions in my bureau; and, General, you know, from your own knowledge of the work of that bureau, how exacting it is. You know that these men are working longer hours—

Mr. BINGHAM. I know—

Mr. HITCHCOCK. Much longer hours than is usual in the Government service. These men are working evenings as well as by day, and the increased compensation I now recommend would be a merited reward for the faithful and efficient services they are rendering the Government.

FRIDAY, JANUARY 31, 1908.

OFFICE OF SECOND ASSISTANT POSTMASTER-GENERAL.

STATEMENT OF MR. JAMES T. McCLEARY, SECOND ASSISTANT POSTMASTER-GENERAL.

READJUSTMENT OF FORCE.

Mr. BINGHAM. If you will look at pages 269 and 270 you will see the remarkable emphasis of heavy-faced brackets and italic type, which looks as if the Second Assistant Postmaster-General's office was not very well carried on, or had not heretofore been, because he wants so many changes now. Mr. Second Assistant, are you going to give us a dissertation on your increases of compensation, leaving out yourself?

Mr. McCLEARY. That is what I am supposed to be here for.

Mr. BINGHAM. Then give us whatever you have to say in a general way. We want that which you regard as the most important and necessary.

Mr. LIVINGSTON. You have an increase in your estimate for your office force of \$15,730. The General wants to know how that is absorbed; who takes it up.

Mr. TAWNEY. How much of it is increase of salaries, and how much of it is increase of clerks?

Mr. McCLEARY. There are ten increases in the number of the clerical force and eight increases of salary.

Mr. BINGHAM. Give us first the necessity for the increase of clerical force.

DIVISION OF RAILWAY ADJUSTMENTS.

Mr. McCLEARY. Two of these are in the Division of Railway Adjustments. That division, as its name indicates, adjusts the pay with the railways. You understand, of course, that the United States is divided into four weighing sections, and the weighing is done once in every four years in those weighing sections, although it takes place in some one section each year. The expenditures for railway mail pay are something like forty-six or forty-seven million dollars a year, so that there is a readjustment of about one-fourth of that each year, and the man who is at the head of that line of service ought to be a very capable man. We have such a man.

Mr. BINGHAM. How many are in that service—a large number?

Mr. McCLEARY. Yes.

Now in this Division of Railway Adjustments we have asked for two more clerks. That is due to three reasons. In the first place, in consequence of the large amount of computation to be made in determining the rate of pay for railroads during the succeeding four years, it has heretofore been found necessary to disregard fractions of miles. The determination of this rate upon any particular route requires a lengthy computation, in which it is necessary to multiply the weight of mail carried from each station to the succeeding station by the distance between the stations. If the actual distance is 5.64 miles it has been customary to use one integer, in that case 6, and disregard the fraction. If the distance were 5.34 miles the integer used would

be 5, disregarding the fraction. This has been believed to produce approximately the correct result, but of course an exact calculation requires the use of the exact distance. This, however, will involve very much more labor and time, and with the present force it has been thought entirely impracticable. But the rate of pay to the railroads has been decreased by law and by departmental order recently, and the railroads are feeling that they ought to have now every fraction of a mile that belongs to them. In order to make the computation we ought to have an increase of clerks.

Mr. GILLETT. Would it not be cheaper to give the railroads the full mile than to give you an increase of force?

Mr. McCLEARY. No. Those fractions amount to a great deal in the course of a year. It may be said, Mr. Chairman, that we are hoping to keep that work at the minimum by using a machine known as the "millionaire"—which not only adds, as the counting machine used in this office does, but also multiplies.

Mr. GILLETT. Then you have probably got two or three superfluous clerks.

Mr. BINGHAM. Have you only one of these machines?

Mr. McCLEARY. Yes.

Mr. BINGHAM. What did you give for that?

Mr. McCLEARY. About \$475.

Mr. GILLETT. What did it save?

Mr. McCLEARY. I think it saved itself this year in connection with the special weighing of the mails which Congress ordered for six months of investigation. As you are aware, a special weighing for six months for the purpose of getting data on which to make amendments to the postal laws was ordered. That weighing extended from the 1st of July to 31st of December, 1907, inclusive, and the tabulations are now being made. It is in connection with this work that this machine I refer to was purchased, and up to the present time its use has been confined entirely to that work. We have not had its use in connection with the adjustment work about which I am now telling you, but we hope to devote it to that work after the special weighing work is finished.

In the second place, this additional force is needed for a proper restatement of railroad routes preceding the annual weighing. An economical restatement of routes so as to do entire justice to the Government requires very careful study of the Railway Mail Service schedules and the weights of mails carried over the routes as shown by the last weighing. It is necessary to consider all these questions before the weighing occurs and arrange the routes in such manner that entire justice is done to the Government in the matter of the compensation to be fixed upon the basis of the weights. The small force engaged in this Division has too much to do in conducting the current work and the computations following the weighings to give this matter the attention which it is believed it should receive.

The question of the advisability of authorizing the routing of railway post-office cars, and payment therefor, is one to which this Division is attempting to give much closer attention, but, in order to do this, it requires much more time than these clerks can give to it. Such work requires a study of the conditions upon the routes affected in connection with the weights of mails carried, the previous authorizations on the same routes, the arrangement of Railway Mail Service

schedules, the amount of mails to be provided for, and the increased cost to the service.

There are a number of other matters which it is hoped to give closer attention to with an increased force, such, for instance, as the advisability of the diversion of mails from one route to another during the contract term.

It is an habitual thing for the clerks employed in connection with this railroad work to devote many hours of overtime during the month to their duties, and the Superintendent is obliged to spend hours every day outside of the regular hours.

Mr. GILLET. Is the number of railroad routes growing?

DIVISION OF INSPECTION.

Mr. McCLEARY. Yes, railroad routes are growing all the time. They have not been growing fast for the last few weeks, but in the main they are growing. Five of these increases in the clerical force are in the Inspection Division.

Mr. BINGHAM. You run on the line of new verbiage; "assistant superintendent," and "superintendent" in lieu of chief of Division of Inspection, and "superintendent of Division of Contracts," etc. What is the necessity of that?

Mr. McCLEARY. Simply to make the language homogeneous.

Mr. BINGHAM. It is not absolutely important?

Mr. McCLEARY. The world will move on, General, even if the change is not made.

Mr. BINGHAM. You will stand on the law unless we concede in our generosity the desired increases of compensation?

Mr. McCLEARY. I am somewhat familiar with the mental processes of the Committee. [Laughter.]

INCREASE OF CLERICAL FORCE.

Mr. BINGHAM. You think you need the additional three clerks of class four?

Mr. McCLEARY. Yes, sir.

Mr. BINGHAM. That is promotion, should we give you the lower clerks?

Mr. McCLEARY. Oh, yes; certainly.

Mr. BINGHAM. Will you lift them from classes 1, 2 and 3?

Mr. McCLEARY. Yes.

Mr. BINGHAM. Then you need the 29 clerks of class 1, do you?

Mr. McCLEARY. Yes, very much.

Mr. BINGHAM. And the 17 at \$1,000 each you increase to 20, and that makes up your increases of clerks?

Mr. McCLEARY. Yes.

Mr. BINGHAM. Those are necessary to your office?

Mr. McCLEARY. I believe they are.

Mr. BINGHAM. Your three messengers at \$840 are simply a lift of assistant messengers to full messengership? Is that it?

Mr. McCLEARY. Yes.

Mr. BINGHAM. And you ask for \$420 for a page?

Mr. McCLEARY. Yes, to save the appointment of another messenger.

Mr. TAWNEY. I want to ask this one general question: General, if the business of the Post-Office Department, as now appears probable, does not increase during the next fiscal year beyond what it is in the current fiscal year, will you require this additional force just the same? Or is the additional force asked on the basis of a corresponding increase in the business of the Department, the same as the increase of 1906, say, over that of 1905? These estimates, in other words, were submitted at a time when the Department had reason to believe that the business would increase in the fiscal year 1909 as it had increased in the fiscal year 1908 over 1907, and in 1907 over 1906. Now in view of the depression that has come on the country since these estimates were submitted, and the probability of the revenues of the office not increasing or the business of the Department not increasing as much as was anticipated, could you get along with the same force during the next fiscal year as you have now?

Mr. McCLEARY. We could get along with it, Mr. Chairman, but we would get along better with the increase. The force called for is urgently needed even now.

The largest increase in force, five of ten increases, occurs in the division of inspection. This division imposes fines and penalties for failures and delinquencies in the performance of service by all kinds of mail contractors. The increase is regarded as absolutely necessary in order that the hundreds of thousands of papers involved each quarter may be considered as fully as possible.

Mr. GILLET. Are those fraud cases?

Mr. McCLEARY. No, sir. That is imposing penalties upon railways and others carrying the mails for being behind time; for failures and delinquencies of different kinds.

Mr. TAWNEY. Those are penalties imposed by contract and not by law?

Mr. McCLEARY. They are all imposed under law.

I am inclined to think that in the public interest possibly we shall not be so strenuous. For example, we do not and can not control the schedule of a road, and if we impose too severe penalties for failure they may and sometimes do cut the schedule. The road has relief from fines by extending its schedule. That would not be in the public interest and it would work contrary to the purpose of the law.

Mr. LIVINGSTON. That is what has occurred in the South, they have extended the schedule four hours?

Mr. McCLEARY. Yes, sir. That is probably due in part to the severity of the penalty for late arrivals at destination.

Mr. LIVINGSTON. They have added four hours to the schedule and we fear they will extend it four hours more.

Mr. McCLEARY. I came into the office last March and had to accept things as I found them. I may say that I found them in good shape and I was perfectly willing to accept them. We have carried out the new law as nearly as we knew how, and in accordance not only with the letter, but with the spirit, and the purpose that Congress had in view. I am not sure, after some months of experience, that we have not carried it out too severely.

Mr. BINGHAM. Does your department claim authority over the schedules of the railroads beyond the fact that the railroads carry the mails on all trains?

Mr. McCLEARY. We have no authority in the way of fixing the schedules.

Mr. BINGHAM. The only obligation is that wherever you direct the mails shall be put on the trains?

Mr. McCLEARY. We have a right to use any train that runs, but we have no right to order a train on or off.

Mr. GILLET. Can you use the very fast trains?

Mr. McCLEARY. Yes. Of course we exercise that authority reasonably. On the eighteen hour train from New York to Chicago, for example, we do not deem it reasonable to put all classes of mail; we put only first-class mail on that train.

CHIEF CLERK—INCREASE OF SALARY.

As to the increases of salary, to begin with there is an increase asked for the chief clerk from \$2,500 to \$3,000.

Mr. BINGHAM. The increases are consistent throughout your department and the other departments of the government?

Mr. McCLEARY. Yes, sir. There are connected with our office, in one way or another more than 40,000 people, and the chief clerk at the headquarters must know that service from A to Z. He must be prepared to discuss with you, Mr. Chairman, if you come into the office, and I am not there, or even if I am there, any phase of that work, the railway mail service, the foreign mail service, the screen wagon service, any one of the things that has to do with the ten methods of transportation of mail by land or sea.

Mr. GILLET. Do you mean to say that there are 40,000 men under your particular office?

Mr. McCLEARY. Yes, sir. Connected with the office of the Second Assistant Postmaster General, directly and indirectly, there are over 40,000 people. That includes the contractors. There are nearly 15,000 employees in the railway mail service.

SUPERINTENDENT OF RAILWAY MAIL ADJUSTMENT.

The superintendent of railway mail adjustment has to deal with the expenditure of nearly \$50,000,000, because he not only has charge of the railway mail service, but he also has charge of the screen wagon service, the pneumatic tube service, the Chicago tunnel service, and the messenger service.

There are three heads of divisions who have been receiving \$2,000 a year, the division of inspection, the division of contracts, and the division of equipment.

CHIEF, DIVISION OF INSPECTION.

The chief of the division of inspection has to go over all these matters of delinquencies and impose penalties. It is a very important position. He has been receiving \$2,000, and we feel, as the head of such an important division, that he should get \$2,400.

CHIEF, DIVISION OF CONTRACTS.

The chief of the division of contracts has charge of all the Star service, and has to use a great deal of discretion and judgment and have a great deal of information, and we feel that he is worth \$2,400.

CHIEF, DIVISION OF EQUIPMENT.

The chief of the division of equipment is a very capable man who has all the equipment for the transportation of mail under his charge, and we feel that he should receive a salary of \$2,400.

Mr. BINGHAM. In other words, throughout that line of high class work in your office you have asked for this percentage increase?

Mr. McCLEARY. Yes, sir, and I believe that it is good policy to have the directive force of the highest class and well paid.

OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL.

Mr. BINGHAM. Mr. Third Assistant, \$248,000 is your current law for salaries, and your estimates for next year amount to \$270,000 for your clerical force, an increase of \$22,000. First, we will eliminate the proposed increases of salary, and have you give us your reasons why you require an additional number of clerks.

INCREASE OF FORCE AND OF SALARIES.

Mr. LAWSHE. I was going to say this, General, that the total amount of increase, as we show it according to our tabulation, is \$38,160, about 10 per cent over the previous appropriation, and corresponding very closely to the natural increase in business. Of that increase of \$38,000, \$4,000 is represented by increases of executive salaries and \$29,460 represents the salaries of the additional positions.

Mr. BINGHAM. You ask for how many additional positions?

Mr. LAWSHE. Twenty-one new clerks and positions.

Mr. BINGHAM. The others come in as increases of pay and run from class to class?

Mr. LAWSHE. Yes.

DIVISIONS OF STAMPS AND REDEMPTION.

Mr. LIVINGSTON. Begin with the superintendent of the Division of Stamps, which seems to be new.

Mr. LAWSHE. We have two divisions, the Division of Redemption and the Division of Stamps. The work is very closely allied, and there is no reason in the world for a separate division. It is my purpose to abolish the Division of Redemption and amalgamate it with the Division of Stamps and make the superintendent of the Division of Redemption the assistant chief of the Division of Stamps, making his salary \$2,250.

ASSISTANT SUPERINTENDENTS, MONEY ORDER DIVISION AND CLASSIFICATION DIVISION.

Mr. BINGHAM. The next is assistant superintendents.

Mr. LAWSHE. I am asking for six assistant superintendents in the Money Order Division; three at \$1,800, and three at \$1,600; and in the Division of Classification for two assistant superintendents.

SPECIAL AGENTS.

Mr. BINGHAM. The next is four special agents.

Mr. LAWSHE. It is simply a proposed change of title from "special agents to "assistant superintendents" and provides for the increase

of two assistant superintendents in the Division of Classification. It is just the total.

Mr. BINGHAM. But it makes a change in the law, and inquiries will be made on the floor as to that.

Mr. LAWSHE. Then make it two additional special agents.

Mr. BINGHAM. Why do you want two additional special agents?

Mr. LAWSHE. Simply because of the increased volume of business that we have to handle. Even that number will not be sufficient for the volume of business that we have to handle. I would have asked more if I had thought they could be gotten.

Mr. BINGHAM. They are doing the same work that is being done now?

Mr. LAWSHE. Yes.

ADDITIONAL CLERKS OF CLASS 4.

Mr. BINGHAM. The next is three additional clerks of class 4.

Mr. LAWSHE. I simply want to say in general terms that these increases that we are asking for are merely to provide for the usual increase of business in the Department.

Mr. BURLESON. They are increases of positions and not increases of salaries?

Mr. LAWSHE. Yes; increases of positions, not of salaries.

Mr. BRICK. That covers the reasons for all of them?

Mr. LAWSHE. Yes. It is the natural increase. It is a general reason, based on experience.

REDUCTION IN NUMBER OF \$900 CLERKS.

Mr. COURTS. In the second line from the bottom you have twenty clerks at \$900 each, and you drop them down to sixteen.

Mr. LAWSHE. That is because we can not get for \$900 the kind of people we want, as a rule.

Mr. BURLESON. I do not think you will have as much trouble from now on in getting them.

Mr. BINGHAM. That is a general proposition?

Mr. LAWSHE. Yes.

PAGE AT \$360.

Mr. BINGHAM. The next is one page at \$360.

Mr. LAWSHE. That is for the assistant's office, and it is the place of a higher-priced person. A page will answer the purpose.

Mr. BINGHAM. Have you anything more to say on the general propositions contained in your estimates?

Mr. LAWSHE. We are asking for something new.

Mr. BINGHAM. You have asked for twenty-two positions on the general statement of increase of work?

ASSISTANT SUPERINTENDANTS, MONEY ORDER SYSTEM.

Mr. LAWSHE. Yes, sir. I want to explain to you that we are asking for something that is really new, but urgently needed. That is assistant superintendents in the money order system. We have never had officers specifically designated for this technical work. We have

had assistant superintendents for the Division of Registered Mails, and for years there has been a condition, not of healthy rivalry between the Money Order Division and the Registered Mails Division, but it has been an unhealthy antagonism, and for that reason the money order system was put under the Third Assistant Postmaster-General so that the two systems would be under the same supervision and thus end the antagonism that has prevailed heretofore. The superintendents of registered mails must go to the postoffices for the purpose of examining the registry system and giving instructions therein, and while there they can just as well give instruction in the money order system without additional expense to the Department, resulting in greater efficiency to the service; and the superintendents of registered mails are now doing that. When they visit the postoffices to examine into the registry system they also give instructions in the money order system. I ought to have more people for the good of the service, and if you give me these assistant superintendents of the money order system they will be available also for the registry system, and through this cooperation the expense will be practically jointly borne; it will be a reciprocal arrangement by which the agents in going into the offices can, without additional expense, examine both services. They will do just what the registered mail people are doing now, without additional expense to the Department.

MR. BINGHAM. In effect your proposition there is to increase your estimate \$15,000?

MR. LAWSHE. Yes.

MR. BINGHAM. In behalf of your proposed change will there be a reduction in the registry system?

MR. LAWSHE. There could not be. Both systems are growing. The money order system is growing rapidly, both in the number of offices and in the volume of business. It is growing faster than we can handle it without the increases asked for.

MR. BINGHAM. Are those people strictly for departmental work in Washington, or will they be field men?

MR. LAWSHE. They are in a sense field men, and always will be field men. They have a joint function in the Department and out of it. Their work is of such a character that they must be in and out. It has always been decided that that is the proper place for them in view of the special character of their work and the fact that we want direct administration and control. They should be kept in the Legislative bill.

REDUCTION IN NUMBER OF \$900 CLERKS (AGAIN).

MR. BURLESON. You say you can not get clerks at \$900. Are you going to let those clerks on page 273 go? You have ten clerks in the Division of Money Orders at \$900 each. You say you can not keep clerks at \$900.

MR. LAWSHE. They will not be affected by this.

MR. BINGHAM. Does the Post-Office and Post-Roads Committee appropriate specifically in connection with the registry system?

MR. LAWSHE. No, sir, no salaries; only indemnities and supplies.

MR. BINGHAM. This is wholly what you distinctly assert to be a Post-Office Department bill, not a service bill?

MR. LAWSHE. Yes, and it has always been so considered.

Mr. BINGHAM. This is simply an increase of the force to be afforded in a larger field of usefulness?

Mr. LAWSHE. That covers it exactly.

OFFICE OF FOURTH ASSISTANT POSTMASTER-GENERAL.

Mr. BINGHAM. Now, Mr. Fourth Assistant Postmaster-General, your current law gives you for your office \$154,440, and you ask for \$160,140, an increase of \$6,000. Let us eliminate everything in the way of increase of salaries and come down to your specific additional clerkships of the different classes. Give us the necessity for those.

Mr. DE GRAW. Will you permit me to make a preliminary statement?

Mr. BINGHAM. Certainly.

REARRANGEMENT OF FORCE.

Mr. DE GRAW. I think it will facilitate your work and save time to me. I have prepared with great care a statement which shows exactly the net increase in the mentioned personnel for the entire bureau. All of these increases, I will say, have been brought about, as has been heretofore explained, by the general increase of business in the Department. I make only a few recommendations for extra help, but I do very urgently request that you take into consideration the few changes recommended. For instance, in the Division of Rural Delivery, where there are 120 persons, we have a number of \$900 clerks, and consequently have been unable to make but very few promotions. We have people in the Division of Rural Delivery who are worthy of greater compensation in their particular lines, but we can not promote them because we have so few higher graded salaries—a smaller number in proportion to the whole number of clerks than the other bureaus of the Department. We purpose with the aid of Congress to readjust our force by striking out 12 of the one thousand dollar clerks, 21 of the \$900 clerks, nine of the \$900 copyists, and three laborers who are receiving \$60 each—a net decrease of forty-five persons, leaving a net increase in the personnel of eight.

Mr. BINGHAM. All of the most subordinate character?

Mr. DE GRAW. Yes, all of the most subordinate but important character, and as an offset we ask for nine \$1,800 or class four clerks, as against seven which we had last year, and proportionate changes in other grades as shown by the statement which I will make part of my explanation. These proposed changes will enable promotions to be made all the way up the list. Our net increase of all grades if allowed will be fifty-three. Deducting from this the decrease of forty-five leaves us a net increase of eight, and an aggregate increase of the appropriation of \$30,190.

Mr. BINGHAM. Increase of pay?

Mr. DE GRAW. Increase of pay to enable the proposed promotions of the lower graded clerks, which are necessary and include the four divisions under the jurisdiction of my office. You will notice, General, that following the estimates for each division of the Bureau I have attached explanatory notes. This I am compelled to do because under your system of keeping track of these appropriations you compel us to state where the people are—in which divisions.

Mr. BINGHAM. You want to stand on that exhibit as to those items?

Mr. DE GRAW. Yes, sir.

Mr. BINGHAM. We can consider your Fourth Assistant's office just as you present it?

Mr. DE GRAW. Yes, if the notes are read. They cover everything.

Mr. BINGHAM. You predicate your changes and increases on the general proposition of increase of business which runs all through the Department? You "increase and multiply," do you?

Mr. DE GRAW. Surely. I have some people working on faith now, whom I know could get better positions outside. I have not committed myself to it, but they expect that sooner or later they will be recognized.

Mr. BRICK. As I understand it, through all your various items in your bureau it is increases or promotions of salaries and not additional force?

Mr. DE GRAW. Yes, sir. With the exception of three new messengers and five assistant messengers, the services of whom have become necessary, owing to the natural increase of work of that character.

The following was filed by Mr. De Graw:

OFFICE OF THE FOURTH ASSISTANT POSTMASTER-GENERAL.

	Salary.	1908.		1909.		Increase.		Decrease.	
		No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
Fourth Assistant Postmaster General		1	\$4,500	1	\$6,000		\$1,500		
Chief clerk		1	2,500	1	3,000		500		
Superintendent Division of Rural Delivery		1	3,000	1	3,000				
Superintendent Division of Supplies		1	2,500	1	3,000		500		
Superintendent Division of Dead Letters		1	2,500	1	3,000		500		
Topographer		1	2,750	1	3,000		250		
Assistant topographer		1	2,000	1	2,000				
Assistant Superintendent of Rural Delivery		1	2,000	1	2,000				
Assistant Superintendent of Supplies		1	1,800	1	2,000		200		
Assistant Superintendent of Dead Letters		1	1,800	1	2,000		200		
Clerks of class 4	\$1,800	7	12,600	16	28,800	9	16,200		
Skilled draftsmen	1,800	3	5,400	4	7,200	1	1,800		
Clerks of class 3	1,600	15	24,000	15	24,000				
Skilled draftsmen	1,600	4	6,400	4	6,400				
Stenographer	1,600	1	1,600	1	1,600				
Clerks of class 2	1,400	33	46,200	41	57,400	8	11,200		
Skilled draftsmen	1,400	4	5,600	4	5,600				
Clerks of class 1	1,200	76	91,200	95	114,000	19	22,800		
Stenographer	1,200	1	1,200	1	1,200				
Skilled draftsmen	1,200	3	3,600	10	12,000	7	8,400		
Map examiner	1,200	1	1,200	1	1,200				
Map moulder	1,200	1	1,200	1	1,200				
Clerks of class E	1,000	108	108,000	91	91,000			12	\$12,000
Mechanic	1,000	1	1,000	1	1,000				
Copyists of maps	1,000	7	7,000	8	8,000	1	1,000		
Clerks of class D	900	83	74,700	62	55,800			21	18,900
Copyists of maps	900	9	8,100					9	8,100
Messengers	840	4	3,360	7	5,880	3	2,520		
Assistant messengers	720	14	10,080	19	13,680	5	3,600		
Assistant map moulder	720	1	720	1	720				
Laborers	660	38	25,080	35	23,100			3	1,980
Female laborers	480	6	2,880	6	2,880				
Pages	480	1	480	1	480				
Pages	360	2	720	2	720				
Total		428	462,670	436	492,860	53	71,170	45	40,980
				428	462,670	45	40,980		
Estimated increase				8	30,190	8	30,190		

It should be explained that it is necessary from time to time to transfer clerks from one division to another to meet the varying conditions of the work. The estimates for 1909 were based upon the distribution of the force at the time they were made last September. Since then it has been necessary to make several shifts which naturally cause some confusion in keeping the force segregated by divisions, as specified in the appropriations.

In these circumstances the explanatory notes accompanying the estimates of the Bureau of the Fourth Assistant Postmaster-General are essential in order to explain clearly the distribution of the force in detail, as the Committee requires.

Respectfully,

P. V. DEGBAW,
Fourth Assistant Postmaster-General.

CONTINGENT EXPENSES, POST-OFFICE DEPARTMENT.

STATIONERY AND BLANK BOOKS.

Mr. BINGHAM. Mr. Chance, your contingent expenses cover several increases?

Mr. CHANCE. Yes, but they are small. The \$5,000 increase in stationery is made necessary by the requirement that out of this appropriation shall be purchased the loose leaf ledgers and similar devices and also by reason of the fact that the appropriation when increased for the fiscal year ended June 30, 1907, by \$10,000, had the requirement added that free penalty envelopes previously furnished out of the postal service appropriation should be provided from the \$10,000 additional added to stationery. The average yearly cost of penalty envelopes has been about \$14,500. Therefore, the additional appropriation of \$10,000 is not sufficient to supply the ever increasing demand for these envelopes. There is no question but what the additional \$5,000 submitted is absolutely necessary and therefore it is earnestly urged that the additional amount be allowed. The truth of the matter is that we will run short this year on that appropriation.

Mr. BINGHAM. By reason of increase of prices?

Mr. CHANCE. No.

Mr. BINGHAM. The prices stand, do they?

Mr. CHANCE. Yes. When we took this over we estimated a burden of \$14,500, and we only got \$10,000 to carry it. The way we were able to carry it this past year was that before the transfer was made we had an arrangement with the Fourth Assistant Postmaster-General by which he purchased enough envelopes to run us for about three months. When we found it would amount to \$14,000 it was necessary to do that.

Mr. BINGHAM. You will expend all of that appropriation this year?

Mr. CHANCE. Undoubtedly.

Mr. BINGHAM. Now go to the next.

FOR TELEGRAPHING.

Mr. CHANCE. It is just that amount. We can not regulate the amount. We have to pay for telegrams sent in as well as those sent out. We had to ask for a deficit this year.

Mr. BINGHAM. What was it?

Mr. CHANCE. It was small, in the neighborhood of about \$10.

FOR PAINTING.

Mr. BINGHAM. The next is painting, etc. Why that increase? Are you going to readjust the Department?

Mr. CHANCE. There are 210 rooms in the Post Office Department building which have never been painted since the building was erected. In many of these rooms the plaster is falling from the metallic lathing and in more than 50 per cent of the rooms the pointing up of the plaster work is a big factor in the cost of painting. The increase submitted for painting is to take care of this very serious condition in the various rooms. The paint as stated is a necessity to the preservation of the walls and while it is true that the ornamentation will amount to something, still the principal feature is preservation. As a matter of fact, only fifteen rooms in the Post Office Department, aside from those on the Executive floor, have been painted.

The longer this work is delayed, the greater the cost will be as every month adds to the list of rooms where the plaster is falling. Estimates received from reliable painting firms and based on the cost of such rooms as have been painted, place the *average* cost at not to exceed \$40 per room. It is considered that this is a fair and reasonable estimate, and in view of the really urgent necessity for the work, it is hoped the amount may be included in the appropriation for the Post Office Department.

Mr. BINGHAM. This painting for next year is wholly independent of what the previous appropriation of \$9,000 was for?

Mr. CHANCE. Yes, sir. It is for 210 rooms. The plaster is falling off. The bulk of this money is for pointing up and preservation. If you gentlemen will look at the condition you will understand it down there.

Mr. GILLET. Do you call it painting?

Mr. CHANCE. Yes. The walls are breaking. Two hundred and ten rooms have never been painted. It is called painting and pointing up.

Mr. BINGHAM. Suppose we should not give you that estimate, would you go to the demnation bow-wows?

Mr. CHANCE. No, but it would cost more next year if you do not, and it would be economy to do it.

MISCELLANEOUS ITEMS.

Mr. BINGHAM. As to the next item, I may say that we prefer details instead of a consolidation.

Mr. CHANCE. I made a point there. I asked in the estimate that if that was not allowed, I should have an increase of \$500 for horses and wagons.

Mr. BINGHAM. Plumbing, that stands?

Mr. CHANCE. Yes.

Mr. BINGHAM. Carpets and matting, \$1,000?

Mr. CHANCE. Yes.

Mr. BINGHAM. Furniture. You stand on that and filing devices?

Mr. CHANCE. Yes.

HORSES AND WAGONS.

Mr. BINGHAM. Purchase and exchange and keep of horses and wagons, and so forth.

Mr. CHANCE. If you do not allow this consolidation I will ask for \$500 increase. The present appropriation is so small that I can only provide for the horses and other necessities. You can figure out what you could do with \$1,500 with six or seven horses. It will just buy feed. When it is necessary to paint or repair a carriage you cannot do it, and you cannot buy harness. The present appropriation of \$1,500 is so small that the Department is able simply to provide feed for the horses and such things as horseshoeing, and so forth, and it leaves absolutely no money with which to pay for necessary repairs.

Mr. BINGHAM. You do not pay out of this \$1,500 the men who care for the horses?

Mr. CHANCE. No, sir.

Mr. BINGHAM. This is just for feed?

Mr. CHANCE. Yes, and the maintenance of the place.

Mr. BINGHAM. How many horses have you?

Mr. CHANCE. Seven. There are about five full horses. Two of them are about dead.

MISCELLANEOUS ITEMS (AGAIN).

Mr. BINGHAM. Miscellaneous items are the same?

Mr. CHANCE. No; there is an increase on that. In case you do not consent to the consolidation I ask an increase of \$1,250 under this item. In the estimate for Contingent Expenses the consolidation of the several small items amounting in all to \$26,260 is requested because it is believed these various appropriations can be used to better advantage if so consolidated. It frequently happens that the Department finds itself with too small an amount of money left in some particular appropriation to accomplish what some emergency requires and at other times it happens that too much money is in another small appropriation. In view of the fact that all of these appropriations are for the Postmaster General's office and as he has direct control over them, it is thought that no question can arise as to the propriety of this consolidation. Furthermore, if the consolidation is not allowed, it will mean that the Department will need to submit an increase of \$500 in the item "Horses and Wagons" and \$1,250 in the Miscellaneous Items. In other words, the consolidation will effect a direct saving of \$1,750 and be a very distinct advantage in the disbursement of the several appropriations.

TYPEWRITERS AND ADDING MACHINES.

We have not enough money to buy typewriters and adding machines.

Mr. BINGHAM. What do they cost?

Mr. CHANCE. They average about \$75.

Mr. BINGHAM. How many more do you need?

Mr. CHANCE. I have requisitions now for typewriters that are actually needed, amounting to about \$3,200, and I have only about \$600 to buy them for this quarter. I can not buy them.

Mr. BINGHAM. How many do you need?

Mr. CHANCE. I have cut out those that we did not need. We actually need \$3,200 worth of typewriters and adding machines.

Mr. GILLETT. How many adding machines have you now?

Mr. CHANCE. I do not know how many we have in actual use, but I have requisitions for about six adding machines.

Mr. BINGHAM. Do you say you need \$3,200 to meet the present requirements?

Mr. CHANCE. Yes, sir. You see, we have a great many typewriters.

Mr. GILLETT. How many adding machines have you got?

Mr. CHANCE. I do not know exactly. They would cost about \$350. That appropriation includes adding machines. We really need that \$1,250.

Mr. BINGHAM. What about postal guides? Does that come under you?

Mr. CHANCE. Yes, sir. There is no change.

MISCELLANEOUS EXPENSES, DIVISION OF TOPOGRAPHY—BLUE PRINTS OF RURAL ROUTES.

Mr. BINGHAM. "Miscellaneous expenses in the Division of Topography" in the preparation of "rural delivery maps and blue prints." Is that the first time you estimate for rural delivery maps?

Mr. DE GRAW. We have been trying to get that appropriation in our Bureau ever since the reorganization of the Department. Last year the Congress insisted on keeping it in the contingent expenses of the Department which are under the jurisdiction of the chief clerk.

Mr. BINGHAM. For the first time you put in "rural delivery maps or blue prints" on page 283. Then a little lower down you put in "rural delivery maps or blue prints" again, and then you go a step further, "for the preparation and publication of rural delivery maps and blue prints." That is three times. How much of that appropriation do you use now?

Mr. CHANCE. We use all of it.

Mr. BINGHAM. I mean for rural delivery maps.

Mr. CHANCE. The Division of Topography is under the Fourth Assistant Postmaster-General. They make rural as well as other maps. The Division of Topography used to be under the Postmaster-General, and then it came under my direct supervision. Now it comes under the Fourth Assistant.

Mr. BINGHAM. Tell me why you need it all, and how much you intend to give to the post routes?

Mr. DE GRAW. The appropriation for 1908 is \$23,500, of which \$3,500 is for the making of maps for the rural delivery service. The estimate for 1909 is \$31,000, an increase of \$7,500. This increase is requested in order that the facilities for making maps for the rural delivery service may be improved, and so the work in connection with the issue of county maps where complete rural service has been installed may be brought up to date. There are now 713 (as of October first) counties in the United States having complete rural service, of which only 245 have been mapped. Only 58 of these maps were made in the fiscal year 1907, and one since the first of last July. This small number is due to the fact that the first branch of the work, consisting of the revision and redrawing of the separate local maps

in accordance with the Department's current orders for rural delivery service, has increased to such an extent that little or no attention can be given to the subsequent branch, or the assembling of the information into the more comprehensive form of county maps.

Therefore, to continue this extensive and important work on county maps is the purpose of the increase recommended, the amount involved being only what can be readily utilized in the work for the next fiscal year. It is expected that more of these maps can be produced than last year, but it is impossible to state definitely how many more can be completed, in view of the fact that the satisfactory compilation of the maps is dependent upon the availability of geographical and other data, as well as upon the drafting facilities at command.

Mr. BINGHAM. Have you used up all your money this year, or will you?

Mr. DE GRAW. Yes, sir.

Mr. BINGHAM. You will need it all?

Mr. DE GRAW. Yes, sir.

Mr. BINGHAM. What does your exhibit show with reference to your returns from the public?

Mr. DE GRAW. That is a matter that is kept entirely by the disbursing officer in the Bureau of the Postmaster-General.

Mr. BINGHAM. You sell maps to the public—rural and county and State and all that?

Mr. CHANCE. Yes; except rural maps.

Mr. BINGHAM. What is your return from them?

Mr. CHANCE. I cannot give you that offhand. It has been greatly increased lately on account of automobiles.

Mr. BINGHAM. I can understand that.

Mr. CHANCE. I do not think I have the office figures here.

Mr. BINGHAM. Ought not the topographer's report to show it?

Mr. CHANCE. Yes. For the calendar year ending last December it was \$2,973.

Mr. BINGHAM. That is all you have received?

Mr. CHANCE. Yes, that is all that has been received on post route maps.

Mr. DE GRAW. We have not heretofore sold rural delivery maps.

Mr. BRICK. Do you intend to sell them hereafter?

Mr. DE GRAW. Yes, sir. Provided our recommendation is approved by the Congress.

Mr. GILLET. What are these maps for? What was the need of them—these rural delivery maps?

Mr. DE GRAW. They are needed in laying out the rural delivery service throughout the country.

Mr. GILLET. You do not make the map until you lay out the route?

Mr. DE GRAW. We have our tracings made for county services.

Mr. GILLET. Why do you make your map afterwards?

Mr. DE GRAW. There are continual changes. Every postmaster has to have a map to show every route, and when an essential change is necessary he makes it on the map and sends it in. The maps are also necessary for the use of inspectors and enable great saving of time. Those are not real maps, however. They are blueprints of tracings. We have never been authorized to sell them, but we have requested permission to sell them. As a matter of fact they are not completed full-fledged maps.

Mr. GILLET. That is all the use you make of the rural maps?

Mr. DE GRAW. Without the rural maps the rural service could not be satisfactorily and intelligently administered. These maps show all the roads in a given locality, particularly those covered by the rural service, and the location of all residences thereon and enable the Department to understand the character and scope of the service in such locality.

Mr. BINGHAM. The post route maps, as I understand it, go continually to the postmasters at distributing post-offices, and they are there for any change of route?

Mr. DE GRAW. Yes, or for anyone who desires to examine them. Each edition of post route maps comprises about 5,000 sheets, which make about 4,000 maps. These editions are renewed each March, June, September, and December. The maps are distributed to Presidential postmasters who make requests for them, and to the Railway Mail Service, and are sold to the public. In addition to that distribution, at the beginning of each session of Congress one post route map of his State is sent to each Senator and Representative.

Mr. BINGHAM. Your purpose is for the information of distributing officers in the distributing of mail? That is the reason?

Mr. DE GRAW. Yes.

Mr. BINGHAM. Your maps become a result of the growth?

Mr. DE GRAW. Yes.

Mr. BINGHAM. And they are comparatively new because your service is comparatively new?

Mr. DE GRAW. Yes, sir.

Mr. BINGHAM. The main purpose is to show the changes of route that are ordered so that the mails can be sent out and distributed?

Mr. CHANCE. Yes. The sale of these maps does not amount to a great deal. We do not care for that at all. They are made for the postal service.

Mr. DE GRAW. As I said, this distribution is made every quarter. We have to keep changing them every quarter.

Mr. GILLET. How large an edition did you say you published of the maps?

Mr. DE GRAW. An edition comprises about 5,000 sheets, making about 4,000 maps.

Mr. CHANCE. When the map is brought up to date new routes and post-offices are added.

TUESDAY, JANUARY 28, 1908.

DEPARTMENT OF COMMERCE AND LABOR.

OFFICE OF THE SECRETARY.

[See also page 446.]

STATEMENT OF MR. WILLIAM L. SOLEAU, DISBURSING CLERK.

CHIEF, DIVISION OF PRINTING—INCREASE OF SALARY.

Mr. BINGHAM. You have inserted "chief of division of printing," \$2,500 and "chief of division of supplies, \$2,000" in place of two chiefs of division at \$2,000 each. Why does not the designation, "two chiefs of division" cover all your requirements?

Mr. SOLEAU. For the reason that the responsibilities of the two chiefs of division are very dissimilar, one being more important than the other, and it is the purpose of the Secretary, if he can, to have one of the positions increased from \$2,000 to \$2,500.

Mr. BINGHAM. That is your only reason?

Mr. SOLEAU. That is the reason for the change. The chief of the division of printing has in the past three years done very efficient service and he ranks, in the judgment of the Secretary, with the best in that class. In fact Senator Platt of the Printing Commission has said in relation to this particular officer:

In the performance of the duties devolving upon the Printing Investigation Commission, which is a body identical in membership with the Joint Committee on Printing, the Commission has been impressed with the belief that the printing of the Department of Commerce and Labor has been handled under the administration of the Bureau Chief for whom the increase is asked in a singularly efficient and acceptable manner. The Department of Commerce and Labor was the one Department of all which manifested a real disposition to assist the Printing Investigation Commission in effecting economies in printing, and much of this disposition, we take it, is attributable to the intelligent direction of the Bureau Chief having charge of the printing of the Department. If there were justification for larger compensation than two thousand dollars being paid any Bureau Chief having similar functions, it would appertain particularly to that Department.

In the Treasury Department, where the work is similar and the amount of appropriation to be disbursed is about the same. \$375,000, the Chief of the Division of Stationery and Printing, receives a compensation of \$2,500 per annum. In the Agricultural Department where the work is done along similar lines and the appropriation disbursed is about the same, the salary paid is \$3,000.

Mr. BINGHAM. Your comparison runs right along that line?

Mr. SOLEAU. In these particular places. There are other places where the salaries are less, but the responsibilities are also less and the disbursements are much less.

Mr. TAWNEY. In regard to the printing division, you have a branch printing office in your Department?

Mr. SOLEAU. No, sir; we have not. All our printing is done in the Government Printing Office.

Mr. TAWNEY. What are the duties of the chief of division?

Mr. SOLEAU. His duties consist of revising the manuscript, in the first place, with a view to more economy in publications by cutting out superfluous propositions, illustrations, etc., the issuing of all requisitions on the printing office for the printing of supplies and for stationery for use throughout the Government service, requisitions coming from officers throughout the entire United States. As you know, we have large offices all over the United States in the light-house service, the immigration service and the steamboat inspection service, and he supervises all that.

Mr. BINGHAM. In your department?

Mr. SOLEAU. Yes, sir; and he is now also required, under the naturalization act, to take charge of the distribution of the naturalization certificates, which are very important papers, and we are compelled to account for them just with the same accuracy that money is accounted for in order that there may be no misuse of them. That has been an important increase in his responsibilities and his duties. He has been doing this work with the view of cutting down the

printing allotment and we have kept them down much below the amount allowed by Congress every year.

Mr. BRICK. You increase the salaries of the two chiefs of division in italics?

Mr. SOLEAU. No; one is to receive the same salary he is now receiving, but they have been separated in order to increase the salary of the chief of the division of printing.

Mr. BINGHAM. Will you call attention to what you desire in your department in the way of changes of system?

Mr. SOLEAU. The proposition was this, as I understand it, that I would take up for the Secretary, who could not be here on account of an important cabinet meeting, the matters relating to the Secretary's Office, the personnel and contingent expenses, and each bureau chief would appear in behalf of what he wanted in his own bureau.

APPOINTMENT CLERK—INCREASE OF SALARY.

As to the question of the increased salary of the appointment clerk, the Secretary thinks that his salary should be increased to \$2,500 by reason of the fact that he is required to do much administrative work. We have a system in the Department of bringing together the work and requiring each man to be responsible for as much as possible instead of having a great many subordinates responsible, and that means that we get the best results for the least money. The Secretary is very much impressed with the idea that those assuming the responsibilities should have compensation commensurate with the responsibilities, as far as that is possible in the government service. Mr. Straus comes from the outside and seems to be very much impressed with the fact that the men holding responsible positions under him are very much underpaid in comparison with men having similar responsibilities outside, and he wants as far as possible to correct that. For this particular place the Treasury Department has a similar office with somewhat similar duties but no more onerous, and \$3,000 is paid. In the Postoffice Department they have a number of appointment clerks, the one coming nearest in responsibility to our appointment clerk receiving \$3,000 per year, and we want to cite that as a precedent in support of the Secretary's request that this salary be increased to \$2,500.

RENT OF BUILDING.

There is an increase asked of \$15,000 for rent.

Mr. TAWNEY. You are now paying \$31,000 for rental?

Mr. SOLEAU. Yes, sir. In order to provide sufficient room for the division of information which it was necessary to form in the Bureau of Immigration and Naturalization, additional rental is necessary.

Mr. BINGHAM. That came to you through a recent statute?

Mr. SOLEAU. Yes, sir. There was no provision for housing them and we were in a congested condition at that time. The Bureau of Immigration and the Bureau of Corporations are two growing bureaus in the Department, and from time to time Congress has allowed increases in personnel, but we have gotten no increase for places of employment. For the Willard building where the Department proper is located, we pay \$11,830, which is a 5 per cent investment on the

actual cost of the building. I know that to be a fact because I figured it. We ascertained the contractor's cost and figured it at that rate. In that building we have the Secretary's Office, the Bureau of Corporations, and the Bureau of Immigration and Naturalization, and the Office of the Solicitor of the Department.

Mr. BINGHAM. In the Bureau of Immigration and Naturalization there are 24 subordinates and in the Bureau of Corporations 59?

Mr. SOLEAU. In the Secretary's Office there are 139 employees provided for in statutory places; in the Bureau of Corporations there are 105 persons employed; in the Bureau of Naturalization 41 persons employed, and in the Office of the Solicitor, 13 persons employed, making a total of 298 persons. Of that number, 31 persons are employed elsewhere and so there are now 267 people employed in the office. To keep that number employed it has been necessary to send the division of supplies from that building down to the Census building and it was necessary also to send the Bureau of Manufactures to the Census building, making two bureaus there with a personnel of about 20 or 25 persons. It is nearly time for the taking of the thirteenth Census and when that work begins the Bureau of Census will require that entire building and it will be necessary to house the division of supplies of the Secretary's Office and the Bureau of Manufactures elsewhere, where I do not know, because we have not any room. In the present condition the hallways in the building on Fourteenth street are occupied by files and in some instances by clerks and messengers. The halls are only made wide enough to permit the ordinary flow of people, going in and coming out, and we have fenced off the hallways and have put desks behind those places. We have been compelled to box the files in many instances and put them in the cellar and there is a great loss of time when you want to get a paper which has been filed two years. This has occurred in my own office. It has been necessary to send two men into the cellar and pull down about forty boxes in order to get at the right one and you can imagine the loss of time of clerks and messengers in hunting papers that way. The building on Thirteenth street where the Light-House Board, the Bureau of Navigation, and the Steamboat Inspection Service are housed is very old. It is almost in a state of collapse. It will not be long before it will be condemned. All our valuable papers there are exposed, and very much exposed, to fire and besides that they are being ruined by rats that can not be kept out of the building. Every once in a while a paper is brought out so destroyed and mutilated that it is of no further use to the Department.

Mr. BINGHAM. How much rent do you pay for that building?

Mr. SOLEAU. \$7,600.

Mr. BINGHAM. For the whole building?

Mr. SOLEAU. For nearly the whole building. That is the Builders' Exchange at 709 13th street.

Mr. BURLESON. Have you any idea of the value of that building?

Mr. SOLEAU. No, sir; I have not. In the last two years rentals have increased 50% on F street.

Mr. BINGHAM. But that is your main shopping street.

Mr. SOLEAU. Take the office building street, G street, and you will find that the same conditions exist. We are asking for 50% increase over what we had in the past in order that we can bring the bureaus together.

Mr. BINGHAM. What location have you in mind?

Mr. SOLEAU. The Secretary has been unable to find any location. Every time he gets a proposition it has attached to it a long-term lease and he can not do that because all the appropriations are made annually.

Mr. TAWNEY. I have had a conversation with the Secretary, and I do not know whether I can exactly or correctly express the reason for his asking for this additional \$15,000 or not, but my understanding, as I got it from him and as I now recall it is this: He does not propose to use this \$15,000 for the purpose of renting additional buildings or paying additional rent for the buildings he now occupies. He has in mind, however, that with this additional amount he may be able to secure from some one a proposition for erecting a building suitable in size and character to meet the demands and requirements of the Department with the amount of rent he is now paying for the buildings the Department occupies plus the \$15,000 he is now asking?

Mr. SOLEAU. That is right.

Mr. TAWNEY. He does not propose to allow one man now having a lease with the Government one dollar more for the same building, but he hopes to be able to induce some one to erect a building for the exclusive use of the Department for a rental equal to the aggregate amount asked for in his estimate at this time, which he figures would pay a profit of 7% on the investment.

Mr. SOLEAU. His first proposition is that he will undertake to get a building as you have described, where he can house the Department with the rental already available from year to year, excepting the Census Office, and put them into one building, and in the event he can not do that, he will do the best thing he can, but he will not let go of that money until it becomes absolutely impossible to accomplish his first proposition, and no man who now has a lease with the Department will get one dollar additional. I think I can say that without any hesitation.

Mr. LIVINGSTON. The City Hall building will become vacant about the first of May, why not ask Congress to turn that building over to you?

Mr. SOLEAU. That building does not belong to the government. The municipal government of the District of Columbia is housed now in rented quarters on the south side of Louisiana Avenue, between 4½ & 6th Sts.

Mr. LIVINGSTON. I am talking about where the Probate Court is held and where the Circuit Court is held?

Mr. SOLEAU. I understand that the courts will not vacate that building.

Mr. BINGHAM. Your leases all run from year to year?

Mr. SOLEAU. Yes, sir.

Mr. LIVINGSTON. Why can not you find a building in Washington that you can rent for \$31,000?

Mr. SOLEAU. I suppose the time of one man taken on this proposition would equal a month in the last two years without any success or any hope of success. We pay \$11,830 for the Willard building which we now occupy and if it should become vacant tomorrow and the government wanted to rent it they would not get it for \$20,000. That is the situation.

Mr. BINGHAM. How long have you had that building?

Mr. SOLEAU. Since the 20th of June, 1903.

Mr. LIVINGSTON. How much longer does the lease run?

Mr. SOLEAU. Until the 30th of June, 1908, with the privilege of renewal, provided there is an appropriation made for the purpose. Our leases are continuous to that extent; we have the right of renewal, provided Congress makes the appropriation, and every man owning a building is willing to take the chance.

WEDNESDAY, JANUARY 29, 1908.

DEPARTMENT OF COMMERCE AND LABOR (AGAIN).

STATEMENT OF HON. OSCAR S. STRAUS, SECRETARY OF COMMERCE AND LABOR, ACCOMPANIED BY MR. WILLIAM L. SOLEAU, DISBURSING CLERK, AND MR. JOHN M. CARSON, CHIEF OF BUREAU OF MANUFACTURES.

OFFICE OF THE SECRETARY (AGAIN).

[See also page 441.]

Mr. BINGHAM. Now, Mr. Secretary, please turn to page 296 of the bill before you. We made some examination yesterday of the preceding paragraph. Is there anything you desire to submit in a general way to the Committee with reference to the body of your estimates?

ASSISTANT SECRETARY AT \$6,000.

Secretary STRAUS. There is one item. I suggested an increase of the Assistant Secretary's salary from \$5,000 to \$6,000. I want to say that I placed these estimates in the first instance in the hands of the Assistant Secretary, who has had great experience in accounting, and he declined to put in the estimates an increase of his salary.

Mr. BINGHAM. His present salary is a little larger than some of the salaries of other Assistant Secretaries.

Secretary STRAUS. He did not want any estimate put in at all. He certainly does not want his salary raised unless it is in the same ratio with other Assistant Secretaries. This thing, of course, must be borne in mind, that the Department of Commerce and Labor is a very large and growing Department and has only one Assistant Secretary. If I made a plea for an increase of his salary I would have to act contrary to his wishes. I thought if any other Assistant Secretary in any other Department is to receive an increase, the salary of the Assistant Secretary of Commerce and Labor should be increased to \$6,000, because he is a man of great ability and really does a great deal of the important work of the Department.

FOR RENT OF BUILDINGS.

Mr. TAWNEY. Mr. Secretary, I wish you would turn to the provision here for rent, where you recommend an increase of \$15,000; and you might supplement what was said yesterday by Mr. Soleau on that subject. That is on page 317. Before you make any statement in regard to it I would remark that I made the statement yes-

terday, from memory, of what I understood your position to be, and the reason for your asking this; that it was not for the purpose of paying any increased amount of rent for any building you are now occupying, but that you hoped that with this increased amount you might be able to induce parties to erect a building of suitable size and character to meet the requirements of the Department and all the bureaus thereof within the total of the appropriation for rent, and it was only in the alternative of your not being able to get parties to erect such a building that it was necessary for you to rent additional quarters in order to accommodate the needs of the Department.

Secretary STRAUS. That is substantially correct.

Mr. TAWNEY. I want to ask you if you have made any inquiry or have anybody in mind now who would be induced to erect a building of sufficient size to accommodate the Department and rent it to the Government at the rental which you would have to pay, with the \$15,000 added to the current appropriation for rent?

Secretary STRAUS. I will answer that very briefly, because I know you have heard a good deal on the subject. You know that the Department consists of twelve bureaus. Only two of the bureaus are in the building that I am in; that is the Willard building, and those two bureaus are the Bureau of Immigration and the Bureau of Corporations. The other ten bureaus are scattered about the city. My idea was this: That if we could consolidate those bureaus, or as many as are capable of consolidation—I consider two of the bureaus as not being capable of consolidation because, first, the Bureau of Standards has its place away out and is well housed, and of course that would remain there permanently, and—

Mr. BINGHAM. Of course it is a great establishment of itself.

Secretary STRAUS. Yes. Again, the Bureau of the Census will remain apart, because I doubt if any building could be obtained that would house that Bureau with the other 10 bureaus during the decennial work. It is only the other ten bureaus that could, with the Secretary's office, be put under the same roof.

Mr. TAWNEY. How about the Bureau of Fisheries?

Secretary STRAUS. I think probably that also could be consolidated.

Mr. TAWNEY. The Government owns the building where the Bureau of Fisheries is now located, does it not?

Secretary STRAUS. Yes. If we had enough room we could certainly unite the Bureau of Fisheries with the others. So far as the aquarium is concerned, of course that could be put somewhere else, in the Zoological Park, or elsewhere. That would not be an obstacle, because that could be removed somewhere. It is inadequate, any way, as it is.

Now I have something else in view in connection with the \$15,000. I am not sure that I can use it. Several propositions have been made, but they are too much "in the air" to be at present practicable, as to the erecting of a building that would accommodate us. If the arrangements I have in mind now were made, I would pay less rent for that building than I am now paying for the rent of the several buildings which our bureaus are in. I now have to get the heads of my various bureaus together to see if it is entirely practicable, and I would like to have this money, which will not be spent, as you cor-

rectly say, Mr. Tawney, for increase of rent of any of the buildings that we now occupy. We have no desire to do that, and will not do it.

Mr. BINGHAM. In other words, unless you effect your contract with the parties you have in mind, this would not be used and the conditions would continue as they are?

Secretary STRAUS. Yes. It would not be used, and the conditions would continue as they are, with possibly this exception, that some of the bureaus are so crowded that if we remain where we are and we could get some little additional room, it would be highly desirable. In my own building, in the Bureaus of Corporations, and Immigration and Naturalization, some of their desks are in the hallways, and of course I can not get any more room in that building, because I already have that whole building.

Mr. BINGHAM. What is the sum total of your rentals that you now pay?

Secretary STRAUS. Thirty-one thousand dollars.

Mr. SOLEAU. Exclusive of the Census.

Secretary STRAUS. Yes; exclusive of the Census; and the Bureau of Standards.

Mr. SOLEAU. And exclusive of some few storage rooms.

Secretary STRAUS. Yes. Exclusive of the Census and some storage rooms, we pay \$31,000. All the bureaus in the different buildings have laborers and watchmen and all that character of force which I could consolidate if I assembled the bureaus all in one building.

You see, it is of immense importance to this Department if I could get, for instance, the statistical bureaus other than the Census together. I am having a committee carefully study the subject of statistics in our Department. This study has been going on for three months.

Mr. BURLESON. To avoid duplication?

Secretary STRAUS. Yes, and not only that, but to make the statistics more reliable. It is a very important subject. They have their report ready. In order to bring about that great reform I need to have most of the bureaus together. For instance, we have the Bureau of Statistics doing a lot of statistical work, and we have the Bureau of Manufactures doing a lot of work, and we have the Bureau of Immigration doing a lot of statistical work, and so on; and they are bureaus that have not been brought together, and that branch of the work has not been properly coordinated. It is no slight piece of work to coordinate these, but the study referred to has been very carefully done. Then in addition to the seven heads of bureaus, appointed to study the statistical work of the Department I have appointed an advisory committee consisting of three of the ablest statisticians of the country, and the report is now ready. This has all been done by me, looking forward to this prospective consolidation, and this will be, administratively, a splendid piece of work. I will meet with a great deal of opposition, as you know, but you can not do anything without opposition on the part perhaps of some officials in the Department who will think their importance a little bit lessened. But I can not help that. My general plan is that this Government business ought to be run in the same way as one would run his own business.

Mr. GILLET. How does the physical separation of the bureaus bring about the duplication you speak of, or how would the assembling of those bureaus together prevent such duplication? Why

would it be any easier to prevent their duplication by bringing them together than if they were scattered over the city?

Secretary STRAUS. I can not answer that, except to say that it is very much easier and more practicable if you have your machinery together than if they were scattered over the city?

Mr. BURLISON. The truth is that the Bureau of Statistics ought to be under the Bureau of the Census, or the Bureau of the Census ought to be under the Bureau of Statistics?

Secretary STRAUS. This subject is now being studied by a committee appointed by me. But in the absence of that, I can accomplish a good deal in that direction by coordinating the Bureaus.

Mr. GILLET. Would not the chief of the Bureau of Statistics complain if you transferred some of his force to the Census Bureau, and *vice versa*?

Secretary STRAUS. No; because they know it is the lesser of two alternatives, and I have already had that question up. There will be no difficulty on that score at all.

I will say further in this regard, which is not absolutely pertinent, but illuminative, that since I have taken charge of the Department I have introduced a very ordinary and simple business method of administration in this regard: The Department has twelve bureaus, practically twelve different kinds of work, yet the work of a great many bureaus touches that of each other frequently. Heretofore they have been working independently. In order to prevent this, and in order to enable every chief of a bureau to have a broader vision, I have instituted "cabinet meetings," so called—periodical meetings of the chiefs of bureaus in my office, to discuss the various branches of work that the Department is doing, so that where coordination is necessary I can direct it right there, and each bureau is informed of what the others are doing. It brings about a harmony and cooperation which has been extremely beneficial to the Department. It is the kind of administration that a large business employs that has many divisions under it, and it calls together the heads of divisions just for this kind of work; and after all, what is the administration of a large Department such as that of the Department of Commerce and Labor but a great business administration? It is, nine-tenths of it.

BUREAU OF MANUFACTURES.

COMPENSATION OF SPECIAL AGENTS.

Mr. TAWNEY. Now, Mr. Secretary, will you go to the item on page 296? I want to ask you a few questions there. The item reads, "For compensation at not more than ten dollars per day and actual necessary traveling expenses of special agents to investigate trade conditions abroad, with the object of promoting the foreign commerce of the United States, \$50,000; and the results of such investigations shall be reported to Congress." The language "not more than ten dollars per day" is new language in this appropriation. What has been your experience that leads to your suggesting this limitation upon the per diem pay of the agents employed in this service? What have they been receiving heretofore?

Secretary STRAUS. They have been receiving exactly the same.

Mr. SOLEAU. The idea is that no influence can be brought to bear to increase that rate if it is expressed in the law. We have asked it every year with that end in view, and Congress has taken out that phrase each time.

Secretary STRAUS. I do not want pressure to be brought to bear upon me by officials and others, that "This is an excellent man; can you not appoint him, give him more than \$10 per day?"

Mr. TAWNEY. Can you state, Mr. Secretary, how much of the \$50,000 appropriated for this service was expended during the last fiscal year for salaries, and how much for traveling expenses and other expenses?

Secretary STRAUS. Yes. I want to say, before we enter upon this item, that I wish to reduce my estimate from \$50,000 to \$40,000. For last year we expended \$31,271.79, about three-fifths of which was for salaries and about two-fifths of it for expenses.

Mr. GILLETT. That means if a man got a salary of \$3,000, he spent \$2,000 for expenses?

Mr. SOLEAU. Those expenses do not always mean exclusively travel. He may have had to get some report ready, or pay some small fees, or something like that, which would be about what would be paid in this country for similar work.

Mr. BINGHAM. You are willing to cut the present law to \$40,000?

Secretary STRAUS. Yes.

Mr. TAWNEY. How much have you expended of the \$50,000 for the current year? How much do you expect you will expend?

Secretary STRAUS. We will expend \$29,949.58. We did not have during the year all of the six special agents who are now employed. We had for some period of the year four, and in some period five, and now we have six. But one of these six we pay no salary to. He is a Captain in the Revenue-Cutter Service, Capt. G. L. Carden, who is an expert in heavy machinery.

Mr. TAWNEY. How many agents do you have in all?

Secretary STRAUS. We have six.

Mr. TAWNEY. How many of them are specialists?

Secretary STRAUS. I think I can safely say all six are specialists.

Mr. TAWNEY. Are they devoting their time to the investigations, each in a certain line of manufacture?

Secretary STRAUS. Yes; all practically. Two of them, Butnam and Pepper, besides devoting themselves to special lines, devote themselves also to general lines.

Mr. TAWNEY. Now as to those that are employed exclusively along special lines, what are the special lines that they are investigating?

Secretary STRAUS. Will you permit Major Carson to answer that?

Mr. TAWNEY. Yes.

Mr. BINGHAM. They are under Major Carson, or under you?

Secretary STRAUS. They are primarily under me, but for immediate administrative purposes they are under Major Carson.

Mr. CARSON. One of these special agents, Mr. Clark, is investigating cotton fabrics, textiles of all kinds. Mr. Perkins is engaged in investigating cotton-seed products. Mr. Dennis is investigating in connection with agricultural implements. Capt. Carden in machinery and machine tools, and Mr. Butnam in leather and its manufactures. That is Mr. Butnam's specialty, and in addition he does general investigation of trade conditions. Mr. Pepper, while not assigned to

any particular specialty, I regard as one of the ablest and best equipped men for this work that could be obtained. He is a man of large experience with business as well as public affairs, has traveled extensively in foreign countries and made investigations along the lines of his present duties. He is now in South America, over which he has traveled twice before. He speaks the Spanish language, and has made reports that have arrested a great deal of attention and that have done us a great deal of good.

Secretary STRAUS. He might be called a general expert upon South American trade.

Mr. TAWNEY. What experience have these men had in their several specialties?

Secretary STRAUS. Let me give you in a preliminary way an idea of what we had in mind in appointing these men. We have adopted this method so as to have experienced men. Take, for instance, cotton-seed products. I communicated with all the commercial and industrial bodies interested in these products and told them that we intended to appoint an agent to investigate those products.

Mr. BINGHAM. Are these men under the civil service?

Secretary STRAUS. No. I told them that we intended to appoint an agent to investigate those products, and we asked them to recommend a suitable man. The various interests and various organizations interested in those products held meetings, and while there were several who were originally suggested, they finally decided upon one man, and we got an excellent man. We first got a man whose services we could not permanently hold for three times the salary that we were willing to pay.

Mr. TAWNEY. Now let me ask you another question: Do these men report on the trade conditions outside the specialties that they are employed to make investigations and reports of?

Secretary STRAUS. They are so instructed.

Mr. TAWNEY. Do they in fact make reports on trade conditions generally?

Mr. CARSON. Yes, quite frequently.

Mr. TAWNEY. How frequently?

Mr. CARSON. I can state definitely. Their preliminary reports are printed in the daily bulletins from time to time in order that business interested may be early apprised of commercial conditions abroad.

Mr. TAWNEY. What I mean is, where do you get authority in this special provision to employ men to make a specialty of investigation of any particular line of industry or manufacture? In the beginning of the last Congress, on account of the fact that the Department of Commerce and Labor was not making any investigation into the subject of machinery and trade tools, the machine manufacturers throughout the United States were appealing to Congress for authority and an appropriation to pay the expenses of a special investigation into that line of manufacture, and they were denied the authority and the appropriation; and the same is true with respect to the investigation of cotton-seed products. Now the investigation is going on and being made at the expense of the Government. If these men are employed as specialists in these particular lines, it is virtually a misinterpretation of the law authorizing the investigation, which is general in its character, and the appropriation is made for the purpose of defraying the expenses of it.

Secretary STRAUS. I will answer that, Mr. Chairman. I understand that this appropriation was made and placed under the Secretary of Commerce and Labor, expecting that the Secretary would use his best judgment and ability to make that appropriation effective and practical.

Mr. TAWNEY. Pardon me for an interruption, but the language is, "For compensation and actual necessary traveling expenses of special agents to investigate trade conditions abroad." The language is, of course, broad enough to include all trade conditions—trade conditions with respect to these particular items. But when these men are appointed specially, for the purpose of investigating only one line of industry, to that extent that that investigation occupies all of their time, to that extent the other trades and other lines of manufacturing industry are deprived of the benefit of the work which Congress has authorized under the appropriation made for defraying the expenses of it.

Secretary STRAUS. Excuse me, Mr. Chairman, if I disagree with you entirely on that. The best way of investigating trade conditions abroad is not by sending over there a Jack-of-all-trades who understands no line of trade in particular, and who will simply go on a junketing tour if we take a man of that kind. But I take a careful business man who understands thoroughly one of the leading branches of export trade that we are engaged in; and that man knows more about general trade conditions, and must know it, than a so-called general man, who knows nothing well; and, as a business man, if I were engaged in a variety of lines of manufacture, certainly would not send a man abroad to investigate the market who lacked thorough knowledge of it in any one of the lines I was engaged in, but who had a general information. There is nothing more detrimental to business than a general superficial information. In order to learn the market or trade conditions abroad, send an expert in any line of trade; no man can be an expert in all lines.

Mr. TAWNEY. The logic of your position, Mr. Secretary, would be this: If we are going to have a thorough investigation of trade conditions, it would be through having an expert in every line of manufacture, and send them abroad.

Secretary STRAUS. That would be the logic, but there are many lines of manufacture where the markets abroad do not interest us, because there is no possibility of a market abroad for us in those lines. We must take only those lines that are practicable. To investigate those lines where we can never expect to export would be simply an idle piece of business.

Mr. BURLESON. And a waste of money?

Secretary STRAUS. Yes; and a waste of money. This whole matter must be handled from the business point of view, and I think Congress wants the head of this Department to use as much business and common-sense judgment as possible, and not feel himself absolutely hampered in construing this by saying, "I can not send a specialist, but must send a man of general information."

Mr. TAWNEY. I understood you to say that Mr. Pepper, who is your best agent, is not an expert in any particular line, but a man of general information with respect to trade in one section of the world, namely, South America.

Secretary STRAUS. He is a thorough student and a very expert observer.

Mr. TAWNEY. He is not the only man of that character in the country that you could obtain?

Secretary STRAUS. He is not the only man we could obtain, but they are very difficult to find at that salary. There are such men, but they are not easily found, and the policy of the Department has developed this way: Formerly there was a tendency to send men of travel experience, and the tendency or influence was to select men who wanted a traveling scholarship. We soon discovered that that was a very unbusiness like way of proceeding, and that the only practical way of getting results was to do as we are now doing; select a line of manufactures which is worthy of investigation, get an expert in that line and send him abroad, and when he is through bring him home and set to work investigating another line.

At the present time, to give you an illustration, Major Carson, the chief of the bureau, and myself, have before us many letters from Members of Congress and others representing various constituencies and very important interests, recommending that we investigate the flour interests. That is one of our great exports. They have also recommended to me one or two very excellent men. I am almost persuaded that I shall investigate that line of exports. In fact I think I have quite concluded to do so, and that is one of the large items of our export which has been falling off of late. The question of the export of grain or the export of flour—something has intervened there that has reduced the export of flour.

Mr. BURLESON. The increased consumption at home has had a good deal to do with it.

Secretary STRAUS. I am unable to say.

Mr. TAWNEY. Is it not a fact that it is the preferential tariff on wheat for export that has encouraged the manufacture of flour abroad? That is all there is to it.

Secretary STRAUS. That is very true.

Mr. TAWNEY. Those interested in milling particularly have been enlarging their industries, and those having money to invest have found it profitable to export wheat because of a preferential rate in favor of wheat as against the manufactured product.

Secretary STRAUS. I think that is a very clear presentation of the reason. Still, it is a very large interest, and it appears to me that if we can help this large interest in any way, the Department should do it.

Mr. BURLESON. Is it not the duty of the consular officers to do the very thing that is provided for in this item—to investigate the trade conditions abroad and promote the commerce of our country?

Secretary STRAUS. It is one of the many duties of consular officers to do it, but a duty which is very inefficiently performed, because they are not trade experts, as a rule, and then they are confined to a particular jurisdiction, and they do not at first hand get the purview or the larger view that is necessary for a large industry such as this. We are following, or rather we are improving upon, methods that European governments have employed. They have commercial agents attached to their diplomatic department or to their consular department, and they perform a very important function. But I think

in many respects our special trade agents perform that same function much more efficiently.

Mr. BRICK. The consuls do not have enough time to devote to it in the best possible form?

Mr. BINGHAM. And they are not expected to travel?

Secretary STRAUS. No; they are not permitted to travel.

Mr. BURLESON. There is no necessity for it, because there is a consular officer at every important manufacturing center.

Secretary STRAUS. You mean there is no necessity of traveling?

Mr. BURLESON. Yes, because there is a consular officer at every important center.

Secretary STRAUS. Very true, but here, for instance, is a consular officer located at Birmingham. Here is another located at Marseille. One of those industries may spread over a number of countries. Take the flour industry, for example, one of the important branches of export: It must also take in the East, Constantinople, for instance. Now a trade agent goes into those localities where that interest may be developed, and those localities would involve traveling and getting the threads of the whole thing together from Birmingham to Constantinople. You can well understand that if we send a man who is an expert in the line under investigation he will bring us more reliable information than a man who knows practically nothing about that subject. What does the ordinary consular officer, however able he may be, know about the many lines of manufacture that we as exporters are interested in? It is impossible, and you cannot expect it. As a matter of fact they are not expected to.

COLLATION OF FOREIGN TARIFFS.

Mr. TAWNEY. Now, Mr. Secretary, there is one other matter I wanted to inquire of, and then, so far as I am concerned, I will conclude my investigation. You have in your Bureau of Manufactures a clerk employed in translating tariffs?

Secretary STRAUS. He does more than that.

Mr. TAWNEY. That is what he is employed for, principally, is it not?

Secretary STRAUS. He is designated as a "tariff expert," and he is a man of remarkable ability.

Mr. TAWNEY. What compensation is he receiving?

Secretary STRAUS. Two thousand, five hundred dollars.

Mr. TAWNEY. What did he receive when he first went there?

Secretary STRAUS. Two thousand, one hundred dollars.

Mr. TAWNEY. His work in the Bureau of Manufactures, however, is practically limited to the translation of foreign tariff schedules?

Secretary STRAUS. Oh, no. On page 298, at the bottom thereof, you will find the language [reads]—

To enable the Bureau of Manufactures, under the direction of the Secretary of Commerce and Labor, to collate and arrange the tariffs of foreign countries in form for distribution to be printed in the English language, utilizing as far as practicable the reports of the International Bureau for the Publication of Customs Tariffs, and accompanied by a statement showing the equivalent in currency, weights, and measures of the United States of all foreign terms of currency, weights, and measures used in such tariffs, and for the purchase of books and periodicals on foreign tariffs.

He does much more than that.

Mr. TAWNEY. That is what he is employed for, is it not?

Secretary STRAUS. Yes. As you know, he was selected as one of the commission that went abroad—

Mr. TAWNEY. I want to ask you, first, how much of the time during the last fiscal year and of the current fiscal year has he spent in the office on the work which is here mentioned?

Secretary STRAUS. I will have the chief of the bureau answer that.

Mr. TAWNEY. What is this man's name?

Mr. CARSON. N. I. Stone.

Mr. TAWNEY. How much of his time has Mr. Stone spent here in the office in Washington during the last fiscal year and in the current fiscal year on the work described here in this paragraph?

Mr. CARSON. He was abroad for five months, detailed in the first place at the request of the Secretary of State to attend the Pan American Conference held at Rio de Janeiro as a tariff expert. From there he went to Europe by direction of the Department of Commerce and Labor and was subsequently appointed, while in Europe, a member of the commission to consider differences between this country and Germany in connection with commercial affairs.

Mr. TAWNEY. Is it not a fact that he went to Europe before this commission was appointed and his appointment as a commissioner was made subsequently to the time he went abroad?

Mr. CARSON. Yes, that is a fact.

Mr. TAWNEY. What was he sent to Europe originally for?

Mr. CARSON. He was sent to Europe originally to look into methods of administering customs matters and governmental methods of promoting foreign trade.

Mr. TAWNEY. What methods?

Mr. CARSON. The preparation of tariffs, their administration, and matters relating to this general question that we might have the benefit of the experience of European countries.

Mr. TAWNEY. He has nothing to do with the preparation of tariffs here in this country?

Mr. CARSON. Not at all, but it is important that we should know the methods pursued by commercial rivals in fields in which they have been so successful.

Mr. TAWNEY. As a matter of fact, have not a number of tariff laws enacted by foreign countries been translated and published here in the trades journals six months in advance of their publication by the Bureau of Manufactures? Is not that a fact?

Mr. CARSON. No; it is not the fact.

Secretary STRAUS. Let me answer that, Mr. Chairman. I have received a number of anonymous letters from some one, either in the Bureau of Manufactures or in the Bureau of the Census, trying to cast reflections on Mr. Stone, whom I regard as one of the ablest men in the civil service and one of the most useful. As a matter of fact, tariffs—

Mr. TAWNEY. I wish to say right here, Mr. Secretary, that my information was not obtained from anonymous letters from anybody in the Bureau of Manufactures or the Census or the Department of Commerce and Labor. This is the fact, as I get it: This man was, in the first place, at the request of the Secretary of State, detailed to accompany the Secretary to this convention in South America, and

he was on that duty until the convention was over and some time thereafter.

Secretary STRAUS. Yes.

Mr. TAWNEY. And then, following that, he was detailed to go abroad on the theory that it was necessary for him to investigate the foreign tariffs.

Secretary STRAUS. Yes.

Mr. TAWNEY. And while he was abroad he was appointed by the Secretary of State a member of that tariff commission.

Secretary STRAUS. Yes.

Mr. TAWNEY. And drew his per diem and expenses from the Department of State. In other words, for eight months he never drew any compensation here under this compensation at all, and when he returned he drew it in a lump sum. In other words, the amount that he received as compensation from the State Department was sufficient to pay all his expenses abroad, so that it was not necessary for him to draw his salary here, and when he got back he drew all his salary in a lump sum, something like eight or nine hundred dollars. What I want to ask is, where under this language do you find any authority for sending this man, or spending any part of this appropriation, for purposes of that kind? And if he was not paid out of this appropriation, what appropriation was he paid out of?

Secretary STRAUS. You are misinformed, Mr. Chairman; and if you will allow me, I will have Mr. Soleau, the disbursing officer, give you the exact information.

Mr. SOLEAU. When that question came up, there was a good deal of correspondence between the Bureau of Manufactures and my office and Mr. Stone. To begin with, at the time Mr. Stone was appointed and assigned to the State Department to go to South America as an expert, Secretary Metcalf was considering the question of appointing Mr. Stone a special agent for the examination and investigation of trade relations abroad, along certain lines which I do not now recall, and have no desire to withhold if I could recall it. This detail to the State Department broke in and he was sent to South America; Rio, I think; and when his duties were concluded there, this question of having him make certain investigations in relation to trade conditions along the line of the relation of trade conditions with respect to tariffs abroad was taken up, and he was sent direct from Rio to make this investigation.

Mr. TAWNEY. Who first suggested his going abroad? Mr. Stone himself, or the head of the Department of Commerce and Labor?

Mr. SOLEAU. I cannot say, but the Secretary will bear me out in the statement that there is a letter on file from the chief of the Bureau of Manufactures, suggesting the employment of Mr. Stone in this investigation. While he was making this investigation he spent about twenty-one hundred dollars on it in the investigation of trade conditions abroad—

Mr. GILLET. What line of investigation of trade conditions abroad was it?

Mr. SOLEAU. Mr. Stone was investigating trade conditions generally, with a view to ascertaining what relations foreign tariffs had to stopping our exports abroad. The Secretary wanted to know if there was anything in that line that was stopping the export trade.

Mr. TAWNEY. We have here in the Bureau of Manufactures all the foreign tariffs, have we not?

Secretary STRAUS. Let me answer you on that.

Mr. TAWNEY. One moment: We have in the Bureau of Manufactures copies of all foreign tariffs, and the latest foreign tariffs enacted by foreign Governments, have we not?

Mr. SOLEAU. I think so.

Mr. TAWNEY. And from these we can determine exactly what the rate of duty is on all our products shipped into those countries?

Mr. SOLEAU. Yes.

Mr. TAWNEY. From these facts can we not ascertain here what relation their tariff duties have to the exportation of our products abroad?

Mr. CARSON. To ascertain the duty on any article in any country is as simple as finding the definition of a word in the dictionary. Turn to the tariff and you get the rate. But, aside from that, there are many things in connection with the administration of the tariff that you do not find in the law, and those things are just as important to the exporter, and in many cases more so, than the rate of duty. There are ministerial decrees, judicial decisions, interpretations by customs officers, port charges, and various matters of concern that are not found in published laws nor in tariff schedules.

Mr. TAWNEY. After Mr. Stone returned from Europe, or before he went, had he attended any Congress of any kind, a social science congress, or anything of that kind?

Mr. CARSON. Not over there.

Mr. TAWNEY. Here, in this country?

Secretary STRAUS. Yes, he did.

Mr. CARSON. He went to Chicago, and from there to Madison, Wisconsin, this trip from Chicago to Madison being at his own expense.

Mr. TAWNEY. Was that in relation to the tariff?

Mr. CARSON. It was to secure information relating to invoices and bills of lading which was needed in connection with the consideration of the contemplated commercial agreement with Germany.

Secretary STRAUS. He attended this social congress incidentally, because he was out there. Let me tell you, Mr. Chairman, something that will be very illuminating, as one of the results of Mr. Stone's going abroad. I have been hard at work since I have been the head of this Department to bring the Department of Commerce and Labor into closer touch with the commercial interests of the country, and for that purpose I was very desirous of knowing what England, and especially what Germany, had done in that behalf—

Mr. TAWNEY. Understand me, Mr. Secretary, I am not asking these questions with a view to criticising the policy of the Department at all. But what I do contend is that there is no authority under this language here, appropriating \$5,500 for this purpose, that would justify the payment of expenses of any man traveling anywhere. It is for the discharge of duties here in connection with the arrangement and translation of foreign tariffs, and if the man who was employed for this purpose is spending his time abroad, then there is just ground for the complaint that is made among the several trades here, that they can not get information regarding foreign tariffs from the Bureau of Manufactures as soon as they can from the trade journals.

That is the point I want to make, and the further point that there is no authority for the payment, in the first place, of such expenses under this appropriation; and if this man is sent abroad and paid out of this appropriation, and thereby his work here is neglected, it explains why those interested in various lines of manufacture who wish to study foreign tariffs are unable to get them authoritatively from the Bureau of Manufactures.

Mr. SOLEAU. I am sorry to have to say, Mr. Tawney, for the Secretary, that the Department and the Comptroller do not put the same construction on the law as you do. The Comptroller and the Department have construed it to be available in its present phrasing for all expenses incident to that kind of work, whether it is for the tariff schedules, or the employment of persons, or the buying of reports, or any work that is fairly associated with those tariffs.

Mr. TAWNEY. The language is "to collate and arrange the tariffs of foreign countries in form for distribution to be printed in the English language, utilizing as far as practicable the reports of the International Bureau for the Publication of Customs Tariffs, and accompanied by a statement showing the equivalent in currency, weights, and measures of the United States of all foreign terms of currency, weights, and measures used in such tariffs, and for the purchase of books and periodicals on foreign tariffs."

Mr. SOLEAU. It was to enable the Bureau of Manufactures, under the direction of the Secretary, to do those things. You have not set out specifically how that shall be done, whether by the employment of persons, or purchase of papers, or in any other way. If Congress did not intend that, the way to get the information is left to the Secretary; it is at least phrased in the way that all such acts are phrased when the manner of doing the work is left in the discretion of the Secretary.

Secretary STRAUS. I understand that the Comptroller has given a decision authorizing it.

Mr. SOLEAU. He has reviewed my work several times without criticism.

Secretary STRAUS. In the work we have done abroad we have gotten information for the Department of Commerce and Labor that is of the very highest value and importance to the commercial interests of this country, and the result of it is a study of the relations of the Government with the commerce of Germany, for instance, where the government of Germany has done more than any other government for the advancement of its commerce, and England also; and that study I had him embody in a pamphlet, and it was sent to all the leading commercial bodies of the country, and from it I developed a plan to bring the Department into closer relation with the commercial bodies of the country. I had a large conference here in December, comprising 53 chambers of commerce, which were represented; and the trade organizations and boards of trade and chambers of commerce of the country now are all forming an organization with a view to having these close relations with the Department of Commerce and Labor, so that the Department may directly benefit the commercial interests of the country, and at the same time the Department may be benefited by the co-operation of the commercial interests of the country. It is a large and great work, and the basis of this work was performed by Mr. Stone, and he got his information while

he was attending one of these commissions to which you have referred.

Mr. TAWNEY. He got his information while he was a member of the tariff commission in Germany?

Secretary STRAUS. Yes, sir.

Mr. BINGHAM. That whole expenditure is under this paragraph?

Secretary STRAUS. The State Department bore all expenses but his salary on that particular commission.

Mr. TAWNEY. What compensation did he receive from the State Department?

Mr. SOLEAU. He received, as I recall it now, \$15 a day and an allowance of \$15 a day for expenses. That is subject to revision, on the examination of my papers; but that is pretty near it. (See statement following page 462.)

Mr. GILLETT. From the State Department?

Mr. SOLEAU. Yes, from the State Department.

Mr. GILLETT. And did his salary run on with you at the same time?

Mr. SOLEAU. No. There was a dispute about that. We agreed finally that if they paid him we would not, and if they did not, we would pay.

Mr. TAWNEY. How much of this appropriation of \$5,500 for the current fiscal year remains unexpended?

Mr. SOLEAU. We have expended approximately two-fifths of it. I can not tell you exactly without referring to my books.

Mr. CARSON. Before you go away from that matter of Mr. Stone, Mr. Chairman, I would be glad to have an opportunity to make an explanation which I think will clear your mind on that subject.

Mr. TAWNEY. Yes.

Mr. CARSON. Mr. Stone is connected with the Bureau of Manufactures. I conceived the idea some time ago that it was important for us to know what the European governments were doing in those departments which correspond with the Bureau of Manufactures here. Under this appropriation we are obliged to collate, translate and distribute foreign tariffs. There is some limitation in regard to the International Bureau at Brussels. That limitation is a great obstacle to us, and we wanted to get clear of it. We appropriate to that institution \$1,500 under the treaty, and all the signatory powers do the same. We found that their translations were very inaccurate, and that none but the American Government paid any attention to them. I wanted Stone to go over there and find out in regard to the operation of this Brussels Bureau, and particularly the operations of the German government, which has a system embracing the chambers of commerce. When Mr. Stone was at Rio we had him ordered to Europe.

Mr. TAWNEY. How long was he at Rio?

Mr. CARSON. I suppose a couple of months.

Mr. TAWNEY. What compensation did he receive while he was there?

Mr. CARSON. Nothing from our Department.

Mr. TAWNEY. From the State Department?

Mr. CARSON. I do not know what he got. I think the same rate of compensation that we paid him.

Mr. SOLEAU. There may have been a difference in the allowance of \$5.

Mr. CARSON. He had to return home from Rio, and it cost very little more—I think within \$50—to bring him home by way of Europe than to come direct to New York; so that there was no expense involved in sending him to Europe; and before he had finished our investigation in Europe he was detailed again by the State Department, as a member of the Tariff Commission. It was fortunate for that Department and for the Government that we had Mr. Stone there at that particular time.

Mr. TAWNEY. Where did he acquire his technical knowledge regarding the matter of tariffs?

Mr. CARSON. He has acquired it by long study. I do not think there is anybody who has a more thorough and intimate knowledge of the tariffs of all countries than Stone.

Mr. TAWNEY. How long after a foreign tariff law is enacted is it before we can obtain a translation here?

Mr. CARSON. We are depending now largely upon the International Brussels Bureau, and we have been striving to arrange so that these tariffs will come to us direct that we may make our own translations. Sometimes we have received translations of South American tariffs after they have been repealed and others enacted to supersede them; that is, through the International Bureau. We want to get clear of that medium and do the work ourselves.

Mr. TAWNEY. That is the reason for this provision, is it not?

Mr. CARSON. That is the reason for that provision.

Mr. TAWNEY. Then, that cause that you speak of for the delay in issuing in the English language foreign tariffs does not now exist, or ought not now to exist, if the persons employed under this provision were here and employed in the translation of these tariffs as soon as they were enacted?

Mr. CARSON. If we had a sufficient number of people to do it, it would not. But we should have linguists to do that, and not ordinary linguists, because you know there is nothing more important than accuracy of translation in tariffs, where even a punctuation mark involves thousands of dollars sometimes. That is the fault we find with the Brussels translations. They are not accurate.

Secretary STRAUS. You see, there are 45 nations grinding out tariff laws all the time.

Mr. CARSON. Take the tariff laws of France that we have compiled. It is a better compilation than the French government itself has.

Mr. TAWNEY. How long has it been since the Argentine tariff was enacted? It is over a year, is it not?

Mr. CARSON. I do not know. I think it has been in force about a year. We have it in Spanish but not a translation from Brussels.

Mr. TAWNEY. I will say that complaints have come to me from the outside trade, not from the Government, that they are unable to get accurate information and early information from the Government.

Mr. SOLEAU. When the Department was first organized we undertook to get much of our information through United States consuls, and the bills they sent in for the collecting of information were enormous; so much so that this little appropriation would have been wiped out in two or three months if we had not stopped it and sought other means for getting the information. They would have

a man go out in the country and collect information and charge up the expenses.

Mr. TAWNEY. My criticism of this is that the purpose is not being carried out.

Secretary STRAUS. Do you think we are interpreting that language too broadly?

Mr. TAWNEY. I do. I say so, unhesitatingly, as a lawyer.

Secretary STRAUS. Don't you think, as the chairman of this committee, that you would have the head of the Department of Commerce and Labor apply such an appropriation, not as narrowly as possible, but with a view to getting the results that you aim at?

Mr. TAWNEY. Well, Mr. Secretary, the purpose of this provision, as I understood it and as I understand it now, was to supply to the manufacturing institutions of this country, and to exporters in particular, accurate and reliable information regarding foreign tariffs by translating them, when printed in foreign languages, and compiling them and issuing them for the benefit of our exporters; and it was not contemplated that anything more was necessary to do this than to obtain the original copies here in Washington; to have them sent here, and have the work of translating and compiling and publishing done here. Now we have foreign agents; we have agents traveling abroad for the purpose of examining trade conditions; and if there is anything special in relation to the operation of foreign tariffs upon our export trade, these men ought to be able to furnish all the information that would be required along that line. This item was intended to provide for the work that is specified here to be done, here in the city of Washington, and done as expeditiously as possible for the benefit of exporters. Those are the people that are complaining.

Secretary STRAUS. I want to ask a question: If a coordinate branch of the Government, such as the State Department, having an important negotiation on hand such as the trade relations with Germany or with France, asks for the assignment of an expert in our employ, as has been done, do you mean to tell me that I have no authority, or that you would have me prevent such cooperation on the part of the Department of Commerce and Labor with the State Department?

Mr. TAWNEY. Not at all.

Secretary STRAUS. That is precisely what has been done.

Mr. TAWNEY. I said we have a work in your Department which in consequence of such details is going to be seriously hampered or delayed; and in that case I think the State Department or some other Department would find somebody else, so that the work here, which Congress had authorized and appropriated for, was not delayed or interfered with.

Secretary STRAUS. The State Department, together with the other Departments interested in this work, in selecting the men, made the choice of the very best men who were available in the Government service, and the choice fell on this man.

Mr. GILLET. What I understand, Mr. Secretary, that is criticised was his not being employed as the agent of the State Department, but his being sent by you to Europe. I do not mean you personally, but by you as the head of the Department.

Mr. SOLEAU. He was not sent over before that.

Mr. TAWNEY. Mr. Carson says he was sent from Rio to the United States by way of Europe.

Mr. SOLEAU. But the record shows that he was paid from that \$50,000 appropriation.

Secretary STRAUS. The information that he gathered there was of more importance and more value to our commercial interests who are interested in tariff matters than work which the service of one man at his desk would have rendered in the translation, perhaps, of one or two more of the South American tariffs; because you must not forget that if a special inquiry comes in regard to a tariff in our possession, although that tariff may not yet be translated, that inquiry is promptly answered.

Mr. CARSON. Speaking of the Argentine tariff, Mr. Chairman, I find here in three of the pamphlets compiled in our tariff division, one on leather and its manufactures, one on machinery and tools and machine vehicles, and one on agricultural and animal products, the Argentine tariff in effect January 1, 1906, in which all the rates are given, units of quantity and values, and all converted. This is some of the work we have done.

Secretary STRAUS. This is not simply the work that has to be done; it does not enlighten our exporters so much. It has to be coordinated. A man exporting machinery, for instance, will have to get several tariffs together to see the relationship and where he can best export. It is a very careful study, not simply a question of translation.

Mr. TAWNEY. Mr. Soleau, will you prepare and put into the record of the hearing a detailed statement of the time this man has spent abroad in South America and in Europe, and the compensation he received, also the per diem and expenses, and from which appropriations they were paid?

Mr. SOLEAU. Yes, sir. It was a matter of considerable dispute, which went on for months.

Mr. TAWNEY. That will clear it up.

Following is the information referred to, supplied by Mr. Soleau:

DEPARTMENT OF COMMERCE AND LABOR.

OFFICE OF THE DISBURSING CLERK,

Washington, January 30, 1908.

[Memorandum in relation to the status of Nahum I. Stone, Tariff Expert of the Department of Commerce and Labor, employed in the Bureau of Manufactures, from July 1, 1906, to February 16, 1907, during which period he was absent from the Bureau of Manufactures.]

On May 31, 1906, J. M. Carson, Chief of the Bureau of Manufactures, addressed a letter to the Secretary of Commerce and Labor inviting attention to the insufficiency of the facilities provided by Congress for carrying on the work of collating and arranging tariffs of foreign countries, and recommended that Mr. N. I. Stone be appointed a special agent to investigate trade conditions abroad, with instructions to go to Europe and make a study of commerce in relation to tariffs of foreign countries.

While this question was pending before the Secretary of Commerce and Labor, the Secretary of State, under date of June 18, 1906, asked that Mr. Stone be detailed to accompany the United States representatives to the Third International Conference of American States at Rio de Janeiro, Brazil, as an attaché, and on the 19th of that month the Secretary of Commerce and Labor advised the Secretary of State that the detail would be made. Accordingly Mr. Stone was given leave of absence without pay for the period from July 1, 1906, to September 11, 1906, both days inclusive.

Mr. Stone was verbally instructed by the Chief of the Bureau of Manufactures to obtain what information he could and records relating to the tariffs of South American Republics as they related to the commerce of the United States. His expenses in that direction amounted to ten dollars (\$10.00).

were reimbursed him from the appropriation "Collating Tariffs of Foreign Countries," as shown in voucher No. 59401 of the accounts of the Disbursing Clerk of the Department of Commerce and Labor for the quarter ended September 30, 1907.

Mr. Stone was directed by the Department of Commerce and Labor to go to Europe, after the conference at Rio de Janeiro, Brazil, ended, in accordance with the recommendations in the letter of the Chief of the Bureau of Manufactures dated May 31, 1906. He began work for the Department in Europe on September 12, 1906, by investigating foreign tariffs in connection with the promotion of foreign commerce with the United States, with a view to having in the Department data that might be helpful in enlarging the sale of American products in foreign markets. He continued this investigation until October 31, 1906.

For the period that Mr. Stone was attending the Third International Conference of American States he was allowed by the Secretary of State compensation at the rate of \$2,100 per annum, his actual necessary hotel bills, and an allowance of \$10.00 per day for incidental expenses.

Mr. Stone's services were so valuable in connection with the work of the Third International Conference of American States at Rio de Janeiro, Brazil, that the Secretary of State requested that he be detailed to attend a conference in Berlin, Germany, in relation to tariffs and commerce, and there were associated with him Mr. James L. Gerry, Chief of Customs Division, Office of the Secretary, Treasury Department, and Mr. S. N. D. North, Director of the Census. This conference commenced November 1, 1906, and consequently Mr. Stone's investigations relating to foreign tariffs in connection with the promotion of foreign commerce with the United States, with a view to having in the Department data that might be helpful in enlarging the sale of American products in foreign markets, were terminated. Upon the request of the Secretary of State, Mr. Stone's salary as special agent to investigate trade conditions abroad was paid during the period that the conference in Berlin, Germany, relating to commerce and tariffs continued, and the Secretary of State paid his hotel bills and made him an allowance for other incidental expenses. The records of the Department of Commerce and Labor do not disclose what these allowances were.

Mr. Stone was appointed a special agent of the Department of Commerce and Labor at \$10.00 per day, to investigate trade conditions abroad, from September 12, 1906, to February 16, 1907, both days inclusive, his compensation during this period amounting to \$1,580. As he was engaged in the business of the Department of Commerce and Labor exclusively from September 12 to October 31, 1906, he was allowed actual necessary expenses of lodging and subsistence not exceeding \$5.00 per day, and necessary traveling and other incidental expenses for that period, which amounted to \$488.31, making a total expenditure from September 12, 1906, to February 16, 1907, both days inclusive, of \$2,068.31, paid on voucher No. 59403 of the accounts of the Disbursing Clerk of the Department of Commerce and Labor for the quarter ended September 30, 1907, from the appropriation "Salaries and Expenses, Special Agents, Department of Commerce and Labor, 1907," for the purpose of investigating trade conditions abroad.

W. L. SOLEAU,
Disbursing Clerk.

Mr. BINGHAM. You ask for \$7,500 instead of \$5,500 in the paragraph we have been discussing?

Secretary STRAUS. Yes.

TWO ADDITIONAL CLERKS.

Mr. BINGHAM. Without regard to the increases of salaries, you ask for one additional clerk?

Mr. CARSON. We ask for two additional clerks.

Mr. BINGHAM. What is the necessity of this increase?

Mr. CARSON. I have a statement prepared in regard to that matter, and with permission I will read it. It would be shorter.

Mr. BINGHAM. Go ahead.

Mr. CARSON. The increase in the volume and character of the Bureau's work require the services of additional men who are experts and who have technical knowledge of various kinds. The addition of a clerk at \$1,600 would especially increase the efficiency of that section charged with the preparation of reports for publication, and in other duty requiring special equipment, and would really result in economy, as the work of such an expert would be complete and would not require revision.

The addition of a clerk at \$1,000 would materially add to the efficiency of the general clerical force and enable the Bureau to keep up its current work in answering the numerous letters that are daily received asking for information about trade conditions in foreign countries and opportunities for establishing and extending our trade abroad.

There were received from the Department of State since July 1, 1907, about 5,500 reports from consuls, and in addition there were prepared for publication about 500 articles obtained from trustworthy sources, which number includes reports from special agents, so that we handled roundly since the 1st of July 6,000 reports of all kinds. In addition to being prepared for the printer these reports have to be numbered, classified, and indexed.

A considerable number of the reports from special agents and consular officers consist of lists of names of business houses that are engaged in importing merchandise. When received these lists are classified according to business and country. Through this agency the Bureau has collected upwards of 100,000 names constituting an invaluable international mercantile directory which is at the command of our manufacturers and merchants, so far as the clerical force can answer calls received. By reason of the inadequacy of that force we are obliged in many instances to decline to furnish all the information asked for. In such cases, however, we inform applicants that in consequence of this inadequacy and the extent of the information asked for, it is not possible to comply with their requests, but that the lists may be consulted or copied by any one they may designate for that work.

The Committee can get an idea of the character of this particular work by examining the sample pages I have with me. This work was recently started. It will take us some time to transfer these names from the irregular and in some cases almost illegible pages furnished to the sheets you see before you. When this work is done, without any further preparation beyond necessary corrections where changes have taken place, it can be sent to the printer and published as a directory. This would be an expensive operation, and if undertaken the volumes should not be distributed gratuitously but sold, as is now done with some government publications, at a slight advance over the cost price. An international directory would be invaluable to business men interested in foreign trade, and would be purchased by them.

In this connection we also receive from special agents of the Department, consular officers, and from parties themselves directly interested, notifications of opportunities that are disclosed in foreign countries for establishing or extending American trade. Originally these were published as received, but it was ascertained that these

opportunities were communicated by cable and mail to parties in Europe who were not slow in taking advantage of the information. Therefore publication was discontinued, and we established a department in Daily Consular and Trade Reports called "Foreign Opportunities." In this department brief announcement is made of the particular opportunity offered, but the names of the country and individual are withheld. Each opportunity is numbered, and those who desire to be further informed are required to write the Bureau for details. This Department has existed less than two years, and we have brought in that time to the attention of our business men nearly 2,000 opportunities for the sale of American products abroad. We have numerous acknowledgments of the efficiency and value of this particular service. The importance of this class of work is recognized by the business men to whose attention it has come, and is constantly expanding.

Since July 1, 1907, the Bureau has received about 12,000 letters from business men of the United States asking for information about these "Foreign Opportunities" and the lists of dealers in foreign countries. To answer these letters requires something more than the ordinary clerical ability. Those in charge of the files must make themselves familiar with all details of the general work by reading our publications and by hunting up data from commercial and technical sources, and should be capable of preparing concise and satisfactory replies to letters. The carding of the information and the general arrangement of the files is done by the lower class of clerks under the supervision of those charged with the distribution of the information. For these reasons the Bureau should be given the additional assistance asked for. We were given a slight increase for the current year which was barely sufficient to meet the requirements. I believe we should have even a larger increase next year than is submitted.

ADDITIONAL MESSENGER. .

A messenger is urgently needed. At present we have three men classified as assistant messengers and one skilled laborer, at \$720 each, and two laborers at \$660 each. The skilled laborer has been dropped and one assistant messenger added, which makes no change in the amount appropriated. It was thought that "skilled laborer" was not a proper designation. This force is kept busy with preparing our publications for mailing and the work incidental thereto. There are other duties in connection with this work, such as the hunting up of back numbers of the various publications when called for by Senators, Representatives, and others. The messenger is needed to perform duties incidental to that position, and who has sufficient intelligence to distribute the arriving and take care of the outgoing mail, and to keep files of newspapers and magazines that are required to be preserved for reference, etc.

We have asked for an increase of \$2,000 for collating tariffs of foreign countries. This is absolutely necessary for conducting the work. There is really necessity for an expenditure of \$10,000 during the next fiscal year.

Under the provision authorizing the Bureau of Manufactures "to collate and arrange the tariffs of foreign countries in form for distribution, to be printed in the English language," that Bureau is obliged to publish the translations of the tariffs of all foreign countries. The work of translating is of such magnitude that in each of the leading commercial countries, such as England, France, Germany, Belgium, and the Netherlands a staff of about a dozen translators is kept busy attending to that work alone. There are to-day on file in the Bureau of Manufactures the tariffs of more than 175 foreign countries and colonies, most of them remaining unpublished, and therefore unavailable for distribution to the public for lack of clerical assistance.

The Bureau is daily in receipt of numerous inquiries from manufacturers, exporters, commercial bodies, shippers, and dealers in agricultural products, to whom a knowledge of rates of duties and the many customs regulations governing the importation of American products in every foreign country with which they desire to do business, is of immense importance. Thousands of dollars are saved in many instances to American producers who, in the absence of such information as may be obtained from the Bureau of Manufactures, would be compelled to grope in the dark, and pay fines for unwitting violations of foreign customs regulations, owing to lack of knowledge.

The answering of the mail relating to inquiries and the constant watching of tariff legislation of foreign countries claim so much of the attention of the present force of three persons as to leave little opportunity for the work of collating and publishing the foreign tariffs. It is absolutely necessary to enable the Bureau of Manufactures to keep abreast of similar work done in other countries, and to meet current demands from our business men and public officers, that an increased appropriation be granted. The increase of \$2,000 submitted is below the additional amount that could profitably be used in this work.

This work requires that tariff laws shall be examined in the language of the country of enactment, and that those who examine them shall be capable of making correct literal and accurate technical translations. The necessity for absolutely correct translations need not be explained to this Committee who, in the enactment of legislation, knows the great importance and value that attaches to accuracy of statement in tariff schedules.

There are six special agents now in the field, all of whom are experts and four of whom were designated by special industries. The result of the first year's experience in this work convinced the Department that its value to the general business of the country would be very largely enhanced by specialization, and the wisdom of that policy has been demonstrated by the results obtained the past year and a half. Two men expert in cotton fabrics, one in cotton-seed products, and one in leather and its manufactures, were appointed. The reports of these agents have been highly satisfactory to those for whom they were specially prepared. In addition to these, we have sent out an expert to investigate markets for the sale of agricultural machinery and implements, and one for large machinery and machine tools.

The milling industry, through its national and State organizations, is urging the Department to appoint a man to investigate foreign

markets with a view to selling more flour and less wheat abroad. It is said that the condition of the flour-manufacturing business throughout the country is unsatisfactory and that it has been so for several years past. Mill managers write the Department that the milling industry has increased far beyond the local or domestic demand for the product, and that the combined installed milling capacity of the United States, running full time, would make sufficient flour in six months to meet the wants of the entire country for twelve. It is with a view to keeping their mills employed in grinding that the millers are urging the Department to assist in an effort to sell a greater quantity of their product in foreign countries. To increase the sale of our flour abroad would not only give employment to the local mills but would be beneficial to farmers by increasing the quantity of by-products that are used in feeding and fattening cattle, and also in the dairy industry.

Mr. BINGHAM. That covers the main argument for your increase?

Mr. CARSON. Yes, sir.

Mr. BINGHAM. That covers your wishes?

Mr. CARSON. Yes.

TUESDAY, *January 28, 1908.*

BUREAU OF CORPORATIONS.

STATEMENT OF MR. H. K. SMITH, COMMISSIONER.

Mr. BINGHAM. You ask for a slight increase in your force?

Mr. SMITH. There is substantially no change, except one additional messenger at \$480 and an increase in the salary of the chief clerk of \$500.

CHIEF CLERK—INCREASE OF SALARY.

I desire to call especial attention to the fact that the chief clerk is now getting only \$2,000. There are 12 bureaus in the Department and only two of the chief clerks have as low a salary as that, the rest are all higher, and one of those chief clerks has only charge of seven men and the other twenty men, while our chief clerk has charge of 103 men. It changes from day to day. In addition to that the position requires rather exceptional ability because the work is technical. We deal with all kinds of industries, oil, steel, etc., with which the chief clerk must become familiar and the work is of a highly confidential nature. This man has been in the position since the organization of the Bureau four years ago, and every Secretary, I think, in every estimate has asked for this increase. I am thoroughly convinced that it should be granted because of the duties of the position and the fact that this man fills it admirably. He has had an offer to go elsewhere at \$3,000, but he prefers to stay where he is, due to my urgency. I did not promise him anything at all.

Mr. BINGHAM. That is in fact all you desire?

Mr. SMITH. Yes, sir.

Mr. BINGHAM. Does your appropriation enable you to satisfactorily administer your bureau?

Mr. SMITH. It does simply because as Mr Soleau said, I could use more men if I had more room to put the men in, but at the present time we have not the room.

BUREAU OF LABOR.

STATEMENT OF MR. CHARLES P. NEILL, COMMISSIONER OF LABOR.

Mr. BINGHAM. Now, Mr. Commissioner, you stand under the current law in your first paragraph?

Mr. NEILL. Yes, sir.

Mr. BINGHAM. Is your work up to date and are you satisfied as to the conditions in the office?

Mr. NEILL. Yes.

Mr. BRICK. Can you not make that a little less than \$100,000 this year?

Mr. NEILL. No, sir; those are practically fixed rates that you can not get away from. As a matter of fact I asked a few years ago for some increases; to make some changes, and I dropped them out last year and this year on account of the extra appropriation to the Bureau incurred in relation to the investigation of the condition of women and child labor, which will take a long time. I do not know of a bureau in the public service that asks for less increases than we do or need them worse than we do. There is no other bureau that makes any harder efforts to avoid the necessity for an increase. I turn down, every time this bill is prepared, any number of requests for increases that come in from various divisions of the office.

PER DIEM OF SPECIAL AGENTS.

There is one thing, I would like to make a change there, on page 300. It is a small item, but it is a matter of considerable consequence to us. In the first place, our field agents, when they come into the District of Columbia, are under the very same expense as when they are out of it, but they do not draw their per diem, and it simply penalizes them whenever called in for conferences. Every since I came into the bureau I have felt that this ought to be changed.

Mr. BINGHAM. We have been consistent in that?

Mr. NEILL. Many of these field agents are away from their homes six or eight months in a year. A man will get an assignment, say, two and one-half hours distant from home. If he goes home at night will lose the per diem for that day, and if he goes over Sunday he will lose his per diem. If a man gets near his home we want him to get home. A man has come East recently who has not seen his family for ten months. It is very rare that they can be assigned where their families are, in the same town. They could often be assigned where they could go home over Sunday but it would cost them an additional \$3 per diem.

Mr. BINGHAM. What is your per diem?

Mr. NEILL. Three dollars. I said, "I will not ask for an increase of that," but I said, "I will try to get you this slight consideration." It would not increase the appropriation a dollar. It would simply give the poor fellows a chance to go to their homes on Sundays and sometimes at night when they are working near there. At the present time it costs them \$3 every time they go home.

SUBVENTION TO INTERNATIONAL ASSOCIATION FOR LABOUR LEGISLATION.

Mr. BINGHAM. "For subvention to 'International Association for Labour Legislation,' and necessary expenses connected with representation of the United States Government therein." What is that?

Mr. NEILL. That is an international association, Mr. Chairman, and practically every country in Europe is a member. We simply pay \$200 a year as a subvention.

Mr. BINGHAM. Is it a private association?

Mr. NEILL. It is a private association, but it has been supported by subventions from the various governments.

Mr. BINGHAM. At \$200 each?

Mr. NEILL. No; some pay much more than that. Some pay as high as several thousand dollars.

Mr. BINGHAM. What does it cover?

Mr. NEILL. They publish a quarterly journal, and they try to bring about uniformity in legislation along labor lines.

Mr. BINGHAM. Do you send a delegate?

Mr. NEILL. No.

Mr. BINGHAM. Do they have annual conventions?

Mr. NEILL. They have a convention every second year. We have never sent a delegate. The United States makes the smallest contribution.

Mr. BRICK. Do we get any benefit out of that international organization? Does it amount to anything?

Mr. NEILL. Yes; it is doing a good work, but we have never asked for more than this amount. We get their publications and things of that kind.

BOOKS, PERIODICALS, ETC., FOR LIBRARY.

Mr. BINGHAM. The next item is for books, periodicals, and newspapers for the library. Why do you want that additional language attached there? Is not this a large sum for your library? Do you expend it all?

Mr. BRICK. Those italics are new matter, are they not, Mr. Courts?

Mr. COURTS. Yes. You are limited there in some way in that section to \$100, or something like that.

Mr. NEILL. Oh, yes. This is an additional amount that we are asking for.

Mr. COURTS [reading provision of law]. "The amount expended in any one year for newspapers for any Department, except the Department of State, including all the bureaus and offices connected therewith, shall not exceed \$100," etc.

Mr. NEILL. In order to keep track of strikes we take representative newspapers from all over the United States. Those papers are gone over every day and we keep clippings from them, and when we send out men for an investigation we already have knowledge of about 75 per cent of the strikes, and it saves the expense a hundred times over, because it saves the trouble of locating strikes when we already know about so large a proportion.

Mr. BRICK. Do you need a full thousand dollars for that?

Mr. NEILL. No. We only ask for \$100 for that.

Mr. BINGHAM. Do you need a thousand dollars for your library?

Mr. NEILL. Yes.

Mr. BINGHAM. How large is it?

Mr. NEILL. We have three or four rooms. We have to keep abreast. General, of the most recent work both in labor legislation and in general economic and sociological work.

Mr. BINGHAM. Do you need all this?

Mr. NEILL. Yes.

INVESTIGATION OF CONDITION OF WOMAN AND CHILD WORKERS.

Mr. BINGHAM. The next paragraph is from the Sundry Civil act.

Mr. BRICK. This item is new to us. It comes from the Sundry Civil bill.

Mr. BINGHAM. That is what you had last year?

Mr. NEILL. Yes; that is what we had last year, General. At that time the Secretary asked me to make an estimate, and I made an estimate of \$300,000, and I told him I did not think we could do an efficient piece of work for less than that; but the Secretary sent in a request for \$150,000, intending to make a request for one-half last year and one-half this year; so that this is simply the remainder of the original amount I asked for. We began the investigation on \$150,000, and it will necessarily be a very limited piece of work, and not only that, but a very poor piece of work. I asked for \$300,000. The Secretary asked me to make an estimate, and I estimated for \$300,000, saying that I did not believe that with less than that we could make either a fair or efficient investigation. For \$150,000 we can make a very limited and inefficient and thoroughly unsatisfactory investigation. I am doing the best I can with that \$150,000.

Mr. TAWNEY. You will use \$300,000 next year?

Mr. NEILL. No, sir. I planned the best I could with \$150,000 this year and expected the other \$150,000, making \$300,000 in all. The \$150,000 will complete a part of the investigation, but it will be a very inadequate piece of work.

Mr. BINGHAM. On your original basis?

Mr. NEILL. Yes.

Mr. BURLESON. My understanding was that it was to be completed with \$150,000.

Mr. TAWNEY. There was not anybody who had given the matter any consideration for a moment but thought that \$150,000 was all that could be profitably expended this year, because it involved the establishment of a new service. Now you estimate that you can spend more than \$150,000 for next year?

Mr. NEILL. No, sir.

Mr. TAWNEY. What did you mean, then, a moment ago when you spoke about \$300,000?

Mr. NEILL. I said that last year I asked for \$300,000, intending it to be a continuing appropriation.

Mr. TAWNEY. And stating that that \$300,000 would complete the work?

Mr. NEILL. Yes. In every statement, Mr. Burleson, that I made I gave \$300,000 as the minimum, and my idea was to ask for a continuing appropriation. I knew we could not finish it by the first of July, but I wanted to carry it out and finish it by the first of December.

Mr. TAWNEY. Do you now estimate that with the additional \$150,000 the work can be completed?

Mr. NEILL. Absolutely.

Mr. BRICK. After that work is completed, will you want a yearly appropriation to continue the investigations on that subject?

Mr. NEILL. No, sir.

Mr. BRICK. This will settle it?

Mr. NEILL. Yes.

Mr. BINGHAM. This will complete the work?

Mr. NEILL. Yes.

Mr. BRICK. You can make a good investigation with \$300,000?

Mr. NEILL. Yes; but with \$150,000 we would give you a poor job that nobody would be satisfied with.

Mr. BINGHAM. This is simply a proposition that comes in under that bill, and there was no antecedent action by Congress prior to your appropriation of \$150,000 for the current year?

Mr. NEILL. Yes. There was a law authorizing and directing the investigation, before the appropriation was made.

Mr. BINGHAM. Now, Mr. Neill, how many subordinate force have you under you in the execution of this work?

Mr. NEILL. At the present time there are, I think, 85.

Mr. BINGHAM. Are they all selected through civil service?

Mr. NEILL. All.

Mr. BINGHAM. The entire force?

Mr. NEILL. Yes, the entire force.

Mr. BINGHAM. What are they—traveling agents in any form?

Mr. NEILL. The entire number are in the field.

Mr. BINGHAM. What do you do with their field work here?

Mr. NEILL. It has not yet begun. It has not come in. That work will not come in for some months yet.

Mr. BINGHAM. Did you start their work at the commencement of this fiscal year?

Mr. NEILL. I started it in September. After the civil service examinations were held in June, they were not ready to certify until the latter part of August. We have seven of the oldest agents of my bureau detailed on that work—agents that have been with me for 15 years; but the people who came in through the civil service are entirely new. There are about eighty of those, and the entire number is engaged in field work at this time and will be until probably in May.

Mr. BINGHAM. Then you will commence the compilation of their work?

Mr. NEILL. Yes.

Mr. BINGHAM. The expense of your subordinate force will cover \$150,000?

Mr. NEILL. Yes; we figure on that.

Mr. BINGHAM. What do you pay them—\$3 a day and traveling expenses?

Mr. NEILL. The majority of them get \$1,200 a year, \$100 a month, and \$3 per diem for traveling expenses in lieu of subsistence.

Mr. BINGHAM. In other words, they are fixed salaries with \$3 per diem added?

Mr. NEILL. Yes.

Mr. BURLESON. What is the maximum salary paid?

Mr. NEILL. There are three men at \$2,000, and two at \$1,800.

Mr. BURLESON. Could you furnish a list of the names and salaries, and the States from which they are selected, and where they are at present engaged in work?

Mr. NEILL. I can do that, Mr. Burleson, but I would rather not have that published now, because I have been struggling to keep that quiet for the last six months. Every effort has been made to get the names of those agents and where they are at work, so as to prepare for them. When it is anticipated that an agent will visit a certain place they prepare for that visit and get on dress parade.

Mr. BURLESON. I would like to see the names. Just send the list down, Dr. Neill—

Mr. NEILL. I will be very glad to do it—

Mr. BRICK. But not for the record.

Mr. NEILL. Very well.

Mr. BINGHAM. Do I understand that you will complete your work under that act?

Mr. NEILL. Absolutely.

Mr. BINGHAM. What are you going to do with that work after it is completed?

Mr. NEILL. Publish it.

Mr. BINGHAM. This is simply for that one publication?

Mr. NEILL. Yes, sir. It was never intended to make it permanent. It is just that one piece of work.

LIGHT-HOUSE BOARD.

STATEMENT OF CAPT. J. H. HELM, NAVAL SECRETARY.

Mr. BINGHAM. Of course, Captain, your general work is up to date?

Captain HELM. Practically, yes, sir.

ADDITIONAL CLERK OF CLASS 4.

Mr. BINGHAM. I see you want an addition of one clerk of class 4?

Captain HELM. Yes, sir; an \$1800 clerk.

Mr. BINGHAM. Is that a promotion? Do you promote somebody in your office?

Captain HELM. We ask for an additional clerk, if we can get him; a man to take charge of the division.

Mr. BINGHAM. Will that additional clerk, if conceded to you, be a promotion of some one now in your office?

Captain HELM. Yes. We did want to have an additional man besides; one more man.

Mr. BINGHAM. If we concede the additional clerk at a higher figure you lift up a man now in the service?

Captain HELM. Yes, sir.

ADDITIONAL CLERK OF CLASS 1.

Mr. BINGHAM. Your next increase comes from an additional clerk of class one—seven instead of six?

Captain HELM. Yes, sir. We ask for a \$1,200 clerk additional. That, with the additional clerk of class 4, makes two people. We

have asked for a \$1,200 increase in the force for one man and then an \$1,800 man. That will make two clerks, whatever you call them.

Mr. BRICK. Your force will be two larger? You add that to the present force?

Captain HELM. Yes, sir.

MESSENGER AND ASSISTANT MESSENGER.

Mr. BINGHAM. You want one messenger and one assistant messenger. That is a little lift in salaries?

Captain HELM. No, sir. We want a change in that. The disbursing officer told me he had changed it. What I want is an additional messenger boy at \$480 a year, leaving the others as they are now. That is, I asked the clerk to change that. We want an additional messenger.

Mr. BRICK. That will be three additional to your present force?

Captain HELM. Yes. We do not care particularly for the promotion. It is to get an additional boy.

Mr. BINGHAM. Don't you have two messengers now?

Captain HELM. Yes. With an additional messenger boy, that would be three messenger boys altogether.

Mr. BINGHAM. Now you have one messenger and one assistant messenger under the law. In other words, if you will read there, you will see you have two assistant messengers. Now we cross that out in accordance with your request, and make one messenger of one assistant messenger? That is what the Book of Estimates says.

Captain HELM. Yes, but that is not what we wanted. We would like to have the assistant messengers as they are, and get an additional messenger boy at \$480 a year, if we can get him.

Mr. BINGHAM. You want to lift your messenger boy to the position of messenger?

Captain HELM. No, sir.

Mr. BRICK. The item in the bill is a mistake?

Captain HELM. Yes. We want to get another messenger at the lowest rate and keep the present messenger. We want an additional boy. It is a mistake made in the office. The office has changed its mind. We want an assistant and the others just as they are.

DRAFTSMAN AT \$2,000.

Mr. BINGHAM. For a draftsman you want an increase from \$1,800 to \$2,000. Why that increase of \$200?

Captain HELM. We think he is a most excellent man that deserves that, and more. We will stand on that. He has been there a long time and his duties have increased very much. He has combined the duties of the Coast Survey with the duties of the Light-House Board.

QUARTERS OF THE LIGHT-HOUSE BOARD.

Mr. BINGHAM. What kind of quarters has your Light-House Board?

Captain HELM. Not very good, sir.

Mr. BINGHAM. You are able to do the work in them?

Captain HELM. Yes, but they are inconvenient. That messenger boy is required because the quarters are inconvenient. We have four floors. There are no facilities of communication except the elevator and the messengers. If we were in a Government building and all on one floor and all the offices arranged with reference to the Government work, the matter would be much better.

Mr. BINGHAM. The matter was discussed this morning, and your Board was cited as one of the inconvenient places for working.

WEDNESDAY, JANUARY 29, 1908.

THE CENSUS OFFICE.

STATEMENT OF MR. WILLIAM S. ROSSITER, CHIEF CLERK, ACCOMPANIED BY MR. THOMAS S. MERRILL, DISBURSING AND APPOINTMENT CLERK.

Mr. BURLISON. Is Mr. North not coming up?

Mr. ROSSITER. No, sir; Mr. North is sick in bed to-day.

READJUSTMENTS IN CLERICAL FORCE.

Mr. BINGHAM. Your estimate is \$718,500, and you had for 1908, the present fiscal year, \$706,860. Your recommendations in this paragraph in italics are for new subordinate force?

Mr. ROSSITER. There is a slight readjustment, Mr. Chairman, of the subordinate force. The estimates for the Census Office, (\$1,165,080,) represent a net decrease of \$140,840 from the amount existing in the current appropriation. For salaries we ask \$718,000. This represents a readjustment of the clerical force by which there is a net decrease of 5. We have been greatly troubled in the Census Bureau for several years past by the fact that the proportion of clerks there of the upper grades was inadequate. The Director called your attention some two years ago to the fact that the clerks above \$1,200 in the Census Office represented about 7 per cent of the entire force as against practically 50 per cent in those grades in all the other Departments and bureaus of the Government.

This disproportion in the Census Office has produced innumerable embarrassments. Clerks become discouraged, and in many cases endeavor to obtain transfers to other offices, and the Director is exceedingly anxious to secure your approval of the readjustment which follows:

A change in class four from four clerks to six; in class three from seven clerks to nine; in class two from 25 clerks to 27, and then to readjust the grades at one thousand dollars and twelve hundred dollars so that you reduce the number at one thousand dollars from 192 to 130, and increase those receiving \$1,200 from 300 to 350.

By that adjustment you will very greatly improve both the organization and the amount of work done in the Census Bureau. The net increase represented by those changes is only \$11,640, and the amount will be compensated for by the improvement in the morale and product of the office.

CARPENTER AND TWO LABORERS.

As to the other items which are asked for under this head (salaries,) the changes represent practically nothing but an addition of a carpenter and two laborers. We ask for this, Mr. Chairman, because during the coming year it is absolutely necessary that we should make a large number of repairs upon a great amount of furniture and material which were used in the Twelfth Census. We ask for these changes merely in order to get a little additional carpenter service. We have thousands of dollars' worth of chairs and tables which we are anxious to get into reasonable condition on account of the Thirteenth Census.

LIBRARIAN AT \$1,400.

Mr. BINGHAM. Now take up the Librarian, \$1,400.

Mr. ROSSITER. The Director has, I think, at each of his hearings before you called attention to the fact that we have no librarian in the Census. We use instead a clerical position. The Census Office now has a library containing nearly 15,000 volumes of a very technical and valuable character for our work, and the Director feels that the librarian is entitled to reasonable compensation on the basis of other librarians, in various bureaus all of whom obtain much more than the small item suggested here.

Mr. GILLET. Who does it now?

Mr. ROSSITER. Mrs. Wilson.

Mr. GILLET. I did not mean the person. How is she carried?

Mr. ROSSITER. She is carried on our rolls as a clerk.

Mr. BINGHAM. Now go to the next paragraph.

INFORMATION FOR CENSUS REPORTS.

Mr. ROSSITER. The next paragraph, Mr. Chairman, for collecting statistics, is a reduction from \$525,000 to the sum of \$355,000. Our requirement is composed of three principal items: Two hundred and fifteen thousand dollars for cotton, \$35,000 for statistics of cities, and \$35,000 for mortality records. They are what are known as the annual inquiries of the Census. They move from year to year, and the variation in cost is not 1 per cent. There remain two items that I wish to call attention to: \$40,000 for the census of fisheries, and \$30,000 stated as a shortage due to taking the census of Oklahoma. The cost of the census of Oklahoma was \$70,000. In order to meet that item we postponed the census of fisheries and also the census of electrical industries, which should begin during the present year. We therefore ask that you appropriate the amount mentioned, \$70,000, to make good these two items, and thus to cover the cost of the census of Oklahoma.

Mr. BINGHAM. That you cover in the \$355,000?

Mr. ROSSITER. Yes, sir.

PURCHASE OF MANUSCRIPTS.

Mr. BINGHAM. What about the purchase of manuscripts at the top of page 304?

Mr. ROSSITER. Well, Mr. Chairman, that item has been in all the appropriation bills, I think, except the last.

Mr. TAWNEY. You mean in all the estimates?

Mr. ROSSITER. I think in all appropriations except the last one. It is not a matter of serious consequence, except that it gives us a little more latitude in obtaining material in connection with census reports. The total amount expended is exceedingly small under such an item.

Mr. BINGHAM. It does not interfere with your appropriations?

Mr. ROSSITER. No, sir; not at all.

Mr. BINGHAM. Now go on.

Mr. ROSSITER. May I make one further explanation, Mr. Chairman?

Mr. BINGHAM. Yes.

TABULATING CENSUS RETURNS—CONSTRUCTION OF MACHINES.

Mr. ROSSITER. Referring to the item of tabulating statistics, probably the Committee will be interested to know that that increase there suggested is not intended so much for experimental work as for the construction of machines. We have practically passed the experimental stage, in the Director's opinion, and we are now already making machines which will serve the purposes of the Bureau in the Thirteenth Census and will ultimately save many thousands of dollars.

SECURING INFORMATION FOR CENSUS REPORTS (AGAIN).

Mr. TAWNEY. Why do you want \$30,000 of this item for collecting information for census reports made immediately available?

Mr. ROSSITER. That, sir, is due to the fact that of the \$70,000 expended for the Oklahoma census, \$40,000 is what would have been used for the census of fisheries, which has not yet been undertaken. Thirty thousand dollars is the principal part of the amount that we originally estimated for the census of electrical industries, and that is about beginning. That will be delayed if the \$30,000 is not made immediately available.

CENSUS OF OKLAHOMA.

Mr. TAWNEY. Where do you get the authority for expending \$70,000 of this appropriation for taking the census of Oklahoma?

Mr. ROSSITER. The authority for that, as I understand it, exists under the act establishing the Department, Section 8, which gave the Secretary authority to make investigations which might be ordered by the Congress or the President, or which he himself considered necessary.

Mr. TAWNEY. But how do you get the authority to pay that amount out of this appropriation, which reads—

For securing information for census reports, provided for by law, semi-monthly reports of cotton production, and periodical reports of the domestic and foreign consumption of cotton, per diem compensation of special agents and expenses of the same and of detailed employees, the cost of transcribing State, municipal, and other records, the temporary rental of quarters outside of the District of Columbia for supervising special agents, and the employment by them of such temporary service as may be necessary in collecting the statistics required by law?

Mr. ROSSITER. That question, as I remember it, was referred by the Secretary to the Attorney-General and the Comptroller, and their decision was that the law was so phrased that it was proper to make the expenditure.

Mr. GILLET. How does it happen that it is so much smaller this year than last—the total estimate?

Mr. ROSSITER. Because, sir, last year a large part of the appropriation was required for the inquiry upon marriage and divorce, and the field work upon criminal statistics. The field work on marriage and divorce is entirely completed now, and on the other almost completed. It will be completed within less than a month from now.

STATIONERY.

Mr. BINGHAM. The item of stationery you increase from \$6,000 to \$8,000. Why that large increase?

Mr. ROSSITER. Mr. Chairman, the stationery item in the Census Office has been too small. For the first three years of the permanent office the item was \$10,000. Keeping it as close as we could, we reduced it to \$8,000, and then to \$6,000. The item of \$6,000 this year is really too small.

Mr. BINGHAM. Is it because of a larger amount of work or an increase of price?

Mr. ROSSITER. We ask the increase for two reasons. First, because we need a little more, anyway, for the general requirements of the office; and secondly, because for the last year or two we have been following the policy of purchasing material and sending it to the Government Printing Office. For example, we purchase a great amount of that sort of paper [indicating a telegraph blank], and we can not buy that from the Public Printer. We pay three and three-quarter cents a pound for it, and we save a great deal of money by getting it and using it in office blanks. For schedules on marriage and divorce we use manila cards which we could not get at the Government Printing Office, and we saved several thousand dollars by so doing; and it seems to me simply a question of economy on the part of the Committee. We will administer that so as to save money in the end materially.

MISCELLANEOUS EXPENSES.

Mr. BINGHAM. You ask for an increase of \$5,000 for miscellaneous expenses?

Mr. ROSSITER. We ask for an increase this year because the Census now has a considerable plant of typewriters, adding machines, and all manner of mechanical devices, and we are especially anxious to put these in the best possible repair. Each year we have done a little toward repairing them, but the amount available for repairs of that character has been very small, and this year we should like very much to have a considerable number put in order. We have between 30 and 40 adding machines of the Burroughs and other types.

Mr. BURLESON. You think it will ultimately result in saving to the Government?

Mr. ROSSITER. Yes, sir.

Mr. BINGHAM. Do you anticipate any increase of your horses and wagons and the maintenance thereof?

REPAIR OF TYPEWRITERS AND ADDING MACHINES.

Mr. ROSSITER. No, sir. There is no increase whatever. The only item we need it for is for the repair and perfection of our plant. Otherwise we could get along with the \$15,000.

Mr. BURLESON. Preparatory for the Thirteenth Census?

Mr. ROSSITER. Yes. We have about 150 typewriters, of which 50 at least should be put in proper order; and the same way with the adding machines.

Mr. BURLESON. It will not take a hundred dollars apiece to do it, will it?

Mr. ROSSITER. No, but we have over 40 adding machines and other mechanical appliances, besides.

Mr. BRICK. How much will it take for the adding machines?

Mr. ROSSITER. I think it would cost from \$50 to \$75 each for probably 25 or 30 of the adding machines.

Mr. TAWNEY. Before you submitted this estimate did you have any detailed statement of the number of machines and the estimate cost of repairing them, or did you jump at the conclusion regarding the \$5,000 increase needed?

Mr. ROSSITER. We have spent between \$1,800 and \$2,000 each year in the repair of our plant, and that has proved so inadequate that the Director has felt that the addition mentioned would about put our machines in good order for the coming Census.

PURCHASE OF BOOKS AND PERIODICALS.

The next item is that of the library. That is an addition, which returns to the figure which you permitted in the previous year. A thousand dollars was allowed last year, but prior to that it was fifteen hundred dollars. The additions made to the library are largely expensive technical books required in the work of the bureau, and the Director felt that the item of \$1,500 was more helpful to him than one thousand dollars would be, with the requirements of the office as they are.

Mr. TAWNEY. Will you name some of these technical books for which you spend this money?

Mr. ROSSITER. I can not give them to you by name, but by classes. There is a considerable number of publications issued from time to time in various countries connected with vital statistics which are in demand in the office; also many technical publications necessary in connection with the electrical inquiry, which is now about to begin. Requisitions are made continually for volumes published in the United States and abroad which bear upon this or that subject. The various inquiries which are in progress lead to demands for publications that are most recent on those subjects.

TABULATING CENSUS RETURNS—CONSTRUCTION OF MACHINES (AGAIN).

Mr. BINGHAM. The next item is tabulating census returns.

Mr. TAWNEY. How much of this appropriation during the last fiscal year was expended under the language, "and the cost of experimental work in developing tabulating machinery?" How much of the whole \$1,305,940 was expended for that?

Mr. ROSSITER. The item for experimental work was but \$30,000. The greater portion of that amount was used last year for experimental work, developing counting machines and the operation of the tabulating machines which had been invented. Towards the end of the year one or two machines were actually constructed which are in use at the present time. In addition to those, having perfected what we consider a practical machine, we have already constructed, I believe, eight additional machines which are about to be set to work in the office. Two of those are already at work, and the remaining six could be set to work within thirty days.

Mr. GILLETT. How much do they cost apiece?

Mr. ROSSITER. It is difficult to answer that, because they are constructed piecemeal there in the shop.

Mr. BINGHAM. There is no inroad upon patents?

Mr. ROSSITER. No, sir. We have guarded that very carefully. A man has been employed for the purpose of steering clear of patent infringements. As suggested, the increase desired is for the purpose of extending that construction. We have practically passed the experimental stage.

Mr. TAWNEY. What compensation do you pay the man employed under this appropriation for the purpose of avoiding the infringement upon patents in the manufacture of these tabulating machines?

Mr. ROSSITER. My recollection is that it is \$3,000. The man in charge of the shop, I believe, gets \$1,800, and he has four or five assistants.

Mr. GILLETT. Is this special man a regular employee, or is he employed outside?

Mr. ROSSITER. He was designated by the Patent Office. His term of service depends upon the continuation of the work.

Mr. TAWNEY. What was his position in the Patent Office? Was he an examiner?

Mr. ROSSITER. Something of that kind.

Mr. BURLESON. You have finished with his labors, have you not?

Mr. ROSSITER. I presume we shall in the near future.

Mr. BURLESON. If you have ascertained that the machine perfected is not an infringement on any patent, what do you want of this man any further?

Mr. ROSSITER. At present we are working on a counter which prints, and that and the proposed sorting machine represent the final experimental stages of the work now in progress.

Mr. GILLETT. Do you expect to make all the machines for the various departments? You do not expect to buy them?

Mr. ROSSITER. We do not expect to rent anything of an electrical tabulating variety.

Mr. GILLETT. How much did you pay in the last Census for such machines?

Mr. ROSSITER. It is my recollection, sir, that at the last Census we paid from six to eight hundred thousand dollars for tabulating machinery. Our present policy will effect an enormous saving.

Mr. BINGHAM. How does your manufacture of machines compare in cost with the commercial machine?

Mr. ROSSITER. You mean in the cost of construction?

Mr. BINGHAM. Yes.

Mr. ROSSITER. It is my impression that it is not costing as much as if we went outside and placed the order with a machine shop for construction. On these experimental machines I think the cost is considerably less.

Mr. LIVINGSTON. It seems to me you ought to know very clearly about that.

Mr. ROSSITER. The Director has followed this subject personally, and I am not as well posted on it as he. I know he is entirely satisfied with the result.

Mr. BURLESON. You remember the representations made as to the amount of saving to be effected if these experiments were made?

Mr. ROSSITER. Yes. We have practically passed the experimental stage, and we are now where we can see an absolute saving

Mr. BURLESON. The saving will be accomplished?

Mr. ROSSITER. Yes; a saving will unquestionably be accomplished, and a great sum of money.

Mr. BRICK. Have you any idea of the difference between the cost of your making the machine and the proposed rental of them?

Mr. MERRILL. It was \$500,000 for royalties in the last Census; that is rentals alone.

Mr. ROSSITER. Having obtained these machines of our own, that is, constructed them, they will belong to us, and the saving will not be less than \$400,000 for the Thirteenth Census, to which all future saving should be added.

Mr. MERRILL. One machine at the last census rented for \$1500; the agricultural machine. It rented at the rate of \$1500 a year. It will not probably cost \$1500 to make one.

Mr. BURLESON. You have a machine, then, for future work, and it will last for a number of years?

Mr. ROSSITER. Yes.

Mr. GILLETT. Do you mean that the making of the machines will not cost more than \$400,000—the machines we are renting?

Mr. ROSSITER. Much less. That is one of the distinct successes which the Director has accomplished.

Mr. GILLETT. You paid, before, \$500,000?

Mr. ROSSITER. Yes, sir.

Mr. BRICK. How long would a machine last?

Mr. ROSSITER. Probably five or six years with ordinary repair. I think it would last even longer than that with careful watching.

BUREAU OF STATISTICS.

STATEMENT OF MR. OSCAR P. AUSTIN, CHIEF.

TRANSFER OF 1 CLERK OF CLASS 2.

Mr. BINGHAM. Mr. Austin, turn to page 306. I see in your note you say, "This increase of one clerk provides for one employee now being paid \$1400 per annum from the appropriation of \$4,000 for collecting statistics relative to commerce, estimate for which is omitted for the fiscal year 1909." That is in effect, then, a transfer of a clerk?

Mr. AUSTIN. Yes, sir.

Mr. BINGHAM. And you decrease correspondingly that other item? Is that correct?

Mr. AUSTIN. That is correct.

ADDITIONAL CHIEF OF DIVISION AT \$2,000.

Mr. BINGHAM. Now you ask for chief of division at \$2,000 in lieu of one at \$1800?

Mr. AUSTIN. Yes, and drop out one \$1800 man.

Mr. BINGHAM. That is a promotion?

Mr. AUSTIN. Yes, of a man who has been in there for many many years, and is in charge of the work of the Revising Division and responsible for the accuracy of the figures issued by the Bureau.

INCREASE OF CLERICAL FORCE.

Mr. BINGHAM. Instead of eight clerks you ask for nine. That is a transfer?

Mr. AUSTIN. Yes, sir.

Mr. BINGHAM. You want 15 instead of 13 clerks at \$1,000?

Mr. AUSTIN. Yes. That is on account of the constant demands upon us. The increase of the service is very great.

EXPERT AGENTS.

Mr. BINGHAM. Now you come to the experts. Have we not in several bureaus of your Department that body of what you call experts?

Mr. AUSTIN. None doing this kind of work at all.

Mr. BINGHAM. Tell us the necessity of it.

Mr. AUSTIN. You have been giving us \$4,000 a year for special studies of internal and foreign commerce. With that we have created the statistics that we have of the commerce of the Great Lakes and certain features of the internal commerce of the United States; the concentration at certain great interior points of the chief articles of interior commerce—wheat, and coal, and cotton, and things of that kind. Concerning the commerce on the Great Lakes we have built up something out of absolutely nothing. Formerly there were no records of commerce on the Great Lakes. The commerce of the Great Lakes I calculate to be about a billion dollars; or about one-third as great as our foreign commerce. With this \$4,000 that I have had and by using three or four other clerks out of the other force I have been able to complete those monthly and annual statistics of the lake ports, and monthly statements of the movement of the principal articles that form internal commerce. We have employed out of that \$4,000 the one man at \$1,200 and the other man at \$2,100, and used the remainder for small traveling expenses. Now I abandon the \$4,000 and transfer these two men to the regular force, and ask for these four experts, to put them, one on the Great Lakes to go from port to port, to keep the work in shape there; to put one on the Atlantic coast and Gulf, to try to build up there a system of collecting information on the coastwise and Gulf commerce, another on the Pacific coast in the same way, to try to gather statistics of the coastwise movement there, and the fourth on the rivers and canals for a similar work. You see we have no records of the coastwise movements on the Atlantic or Pacific coasts, and practically none for the

rivers and canals. I want to do there what we have been doing on the lakes.

Mr. BINGHAM. I understand in lieu of this \$4,000 you ask for one internal commerce expert and four expert agents at a total cost of \$8,200, in the lines there printed in italics?

Mr. AUSTIN. Yes, sir.

Mr. GILLET. Where was the \$4,000 before—under what clause of the appropriation bill?

Mr. COURTS. At the bottom of page 306.

Mr. AUSTIN. The two men we employed out of that \$4,000 we transfer to the regular force. Then in lieu of that \$4,000 we ask for these four experts, one for the Atlantic and Gulf coast, one for the Pacific coast, one for the rivers, and one for the lakes.

Mr. BINGHAM. What about the head one, at \$2,200?

Mr. AUSTIN. This is the one who is transferred to the regular force. He will be in charge of that work.

Mr. LIVINGSTON. Where are these experts to be worked?

Mr. AUSTIN. One on the lakes, one on the rivers, and one on the Atlantic and Gulf coast, and one on the Pacific coast.

Mr. LIVINGSTON. This has nothing to do with foreign commerce?

Mr. AUSTIN. Nothing whatever. I estimate that the value of the lake commerce is a little more than one-third as much as that of our entire foreign commerce, and that the value of the seacoast commerce up and down the Atlantic and Pacific coasts combined is considerably more than the lake commerce. In other words, the commerce of the lakes, plus that of the Atlantic and Pacific coasts, and that of the rivers, is as great as our entire foreign commerce; and therefore I think we should be justified in this small appropriation in trying to find it out accurately.

Mr. LIVINGSTON. Your statistics now run on several lines with reference to that commerce?

Mr. AUSTIN. The one place where we are gathering these statistics now is on the lakes. We are not gathering any of any consequence on the Atlantic or Pacific coasts, and very little on the rivers. I want to build up on the Atlantic, the Pacific coasts, and on the rivers a system similar to that which we have on the lakes.

PER DIEM OF EXPERT AGENTS.

Mr. LIVINGSTON. What about that next item there that you have in italics, "For per diem in lieu of subsistence of expert agents?"

Mr. AUSTIN. That, of course, would be for the traveling expenses of these four men.

Mr. LIVINGSTON. Is that the usual amount allowed—not to exceed \$4 per day?

Mr. AUSTIN. I believe that is the usual allowance, as an outside limit.

Mr. BINGHAM. Would this additional force of agents be under the civil service?

Mr. AUSTIN. We have not a man in the bureau who is not under civil service?

Mr. BINGHAM. This is not a proposition to take any one other than through the civil service?

Mr. AUSTIN. No, sir. I should be opposed to getting anybody except through the civil service.

Mr. BINGHAM. If the four special men are granted, you want the per diem granted too?

Mr. AUSTIN. Yes, sir.

FRIDAY, JANUARY 31, 1908.

OFFICE OF SUPERVISING INSPECTOR-GENERAL, STEAMBOAT-INSPECTION
SERVICE.

STATEMENT OF MR. GEORGE UHLER, SUPERVISING INSPECTOR-
GENERAL.

READJUSTMENT OF FORCE.

Mr. UHLER. Mr. Chairman, I do not think there is a great deal here to defend in the estimates or anything that will require a great deal of explanation. First we ask, and have asked for two years, with the approval of the Department, an increase in the salary of the chief clerk, who is the Acting Supervising Inspector-General in my office, and for a reapportionment of the four clerks in my office and for two extra clerks at a thousand dollars.

CHIEF CLERK AT \$2,500.

In the first item, as to the increase in the salary of the chief clerk, I feel, and the Department feels, as he has been in the service of the Government now for 22 years and since 1888 has been in this service, having been appointed chief clerk of the Bureau in 1898, that all we might say about the man's value, about his capacity and attention, would not do him any more than justice. It is not worth while to go into any extended sketch of his life, but so far as I am concerned, I do not think there is a better man or one deserving more of your consideration than is Mr. Gatchell. I do not want to invite comparisons. They are always odious and in many ways objectionable. But if you take into consideration the chief clerks of other bureaus, it seems to me it would be only fair to give him an advance. He has proven beyond doubt that he is worth it, and it seems to me that he ought to have it. I do not know that I can say any more on that subject.

Mr. LIVINGSTON. How many clerks have you in that bureau?

Mr. UHLER. We have 5, sir; the chief clerk and four others. We have asked there for a reapportionment of the clerks in the office. At present we have two at \$1,200. One of the \$1,200 clerks is a lady typewriter who has been in the service many years, and she is a typewriter only.

Mr. TAWNEY. She is just a typewriter, and receives \$1,200 a year?

Mr. UHLER. Yes, sir. I do not know for how far back that has been her salary.

Mr. TAWNEY. Do you recommend an increase of salary for her?

Mr. UHLER. I do not, sir. I propose to take the other \$1,200 clerk and promote him to \$1,400, and promote one clerk of class 3 to class 4. Mr. Norris, whom I propose to promote, or who is under con-

sideration, is a very valuable man and has been so. He is the civil service expert of the bureau; he is the examiner; he is the editor of all the literature of the Department, and has the charge and care of all the forms and the printing; and it seems to me he is worthy of the promotion. It would be more in line, it seems to me, with the effective working of the bureau if these clerks were apportioned differently.

Mr. TAWNEY. Your proposition involves a promotion all along the line of your bureau, with the exception of the typewriter?

TWO ADDITIONAL CLERKS AT \$1,000.

Mr. UHLER. That is all, sir, and with the exception of the two additional clerks at one thousand dollars; and I ask for these for the reason that we are going along now, doing perhaps three-fold of the work that we used to do, with the same force, and it keeps us right down at our wits' ends all the time.

Mr. LIVINGSTON. You only work seven and one-half hours a day, and a man working only seven and a half hours a day for \$1,800 a year ought to work at his wits' end during the time he does work?

Mr. UHLER. No, sir. If there comes a break in our organization, if one of our clerks is taken sick, we have a volume of work there that almost completely upsets our organization. There is practically nobody to take the place of one who is sick. I sit at my desk, the chief of that bureau, and I do not have the services of a stenographer at any time, and in answering correspondence it is necessary for me, if I have a particular letter, to indite that letter with my pencil.

Mr. BURLISON. Why don't you make this \$1,200 typewriter learn stenography?

Mr. UHLER. I could not do that.

Mr. GILLETT. Why does not this other stenographer do it?

Mr. UHLER. Because he is engaged on other work.

Mr. GILLETT. Is he used as a stenographer at all?

Mr. UHLER. Only in very rare instances. We do not have a chance to take him away from his other work. He has the care of all the steel reports, and he has the care of all the casualty reports.

Mr. GILLETT. Do you mean that all your correspondence you put down in longhand?

Mr. UHLER. Whenever a letter comes to my desk, or when the mail comes to my desk I take each letter separately and outline on a slip what the answer should be. I say, "Acknowledge, and say so and so." Sometimes that is written out by the lady typewriter or one of the other clerks, and then it must come back to my desk and be gone over again before I sign it; and in the case of a very particular letter, I always indite that with my pencil.

JOINT FUNCTIONS OF THE CUSTOMS SERVICE AND STEAMBOAT-INSPECTION SERVICE.

Mr. TAWNEY. Let me ask you to what extent is the Steamboat-Inspection Service paid for now out of the Treasury?

Mr. UHLER. I do not understand that.

Mr. TAWNEY. I say, to what extent is the general Treasury bearing the expense of conducting the Steamboat-Inspection Service?

Mr. UHLER. Entirely, sir.

Mr. TAWNEY. Are you not in the Department of Commerce and Labor?

Mr. UHLER. Yes; we are in the Department of Commerce and Labor, and our service is paid from the permanent annual appropriation for its support.

Mr. TAWNEY. How much is that permanent annual appropriation?

Mr. UHLER. The estimate this year was \$422,000, I think, sir.

Mr. BURLESON. It is variable. If it is not otherwise appropriated, you get all the balance of it?

Mr. UHLER. Yes, sir. For instance, in 1907 we expended \$426,000, and the year before \$450,000.

Mr. BURLESON. Who passed on the necessity for that increase?

Mr. UHLER. The Secretary, sir.

Mr. COURTS. Mr. Burleson, the law originally provided that this service should be paid from its own earnings. Its services were paid for by fees, and then it was provided that the expenses of the service should be paid out of those fees; and later you abolished the fees, and saddled the whole expense on the general Treasury by a permanent appropriation. The law divides the country into districts, where you have these inspectors of steam boilers, and so on. Their salaries are fixed by law, and the numbers are regulated by law, and clerks are appointed, and then you have certain other expenses.

Mr. UHLER. Traveling expenses.

Mr. TAWNEY. There are no fees charged at all now?

Mr. UHLER. No, sir.

Mr. TAWNEY. Has not the question arisen recently between the Department of Commerce and Labor and the Treasury Department as to which of the two Departments is required to make steamboat inspections, say at the port of New York, and did not the Attorney-General on having the question submitted to him decide that a certain part of that inspection should be made by the Treasury Department and paid for out of the customs appropriation, and if so, have you got that opinion?

Mr. UHLER. I have that opinion, but not with me, sir. It did not relate to the inspection of vessels, though, Mr. Tawney.

Mr. TAWNEY. We were told by one of the Assistant Secretaries of the Treasury here, that it did; that they were required to inspect all excursion boats.

Mr. UHLER. They are required to do the counting of passengers only. Section 4496 of the Revised Statutes provides that all chief custom officers and inspectors in the respective districts shall see that these laws are observed. Every year the custom authorities have counted passengers. Before the Steamboat-Inspection Service was transferred to the Department of Commerce and Labor, the customs service used their inspectors for counting the passengers on a part of the vessels. The Steamboat-Inspection Service also used their spare inspectors for counting passengers. The question came up as to the right, or the necessity, or the responsibility, I may say, of the customs inspectors, counting passengers under the provisions of that title and paying for certain instruments that they use, hand tally-

registers and repairs of instruments. The matter was submitted to me by the Secretary of the Department of Commerce and Labor and by the Secretary of the Treasury, with the request that we ask the Attorney-General for an opinion. The Attorney-General rendered an opinion in which he said, as I remember it now—I have not the opinion with me—that the responsibility was divided; that it was clearly part of the responsibility of the customs inspectors and other chief officers of customs, and also of the steamboat inspectors. Under that provision we have paid for hand tally-registers for the use of custom inspectors, and paid for the repairs of those instruments while they were used absolutely by the customs service in carrying out the provisions of Section 4496.

We do not pay those inspectors, Mr. Tawney. They are paid by the customs service. I know there was a question for a long while as to whether they could be paid from one appropriation for the collection of revenue from customs.

Mr. TAWNEY. Let me ask you, do your inspectors inspect these vessels on which the customs officers count the passengers?

Mr. UHLER. Oh, yes. Nobody inspects or passes a vessel but ourselves.

Mr. TAWNEY. Why could you not do the counting?

Mr. UHLER. We do, so far as we are able; but it would be impossible for us to do anything else than count the passengers. Every man not engaged in actual inspection is detailed to a boat to count passengers. On Sundays one-half of our force that has worked all week is detailed to that purpose. We send them from Baltimore to Washington. We send them to the Eastern Shore of Maryland to count passengers coming back. We detail every inspector we can in the summer, on Sundays and holidays, and the customs service does the same thing.

Mr. TAWNEY. My thought was that even though the authority to do this work was divided, the service would be more efficient and less expensive if it was done entirely under the other Department.

Mr. UHLER. I do not know whether it would be or not. The question came up as to the appointment of customs inspectors for that purpose. The customs service can appoint temporary employees; we can not. Every man that we appoint, every man in our service, down to a messenger, is under the civil service. We require certain qualifications necessary for an inspector. He must have certain qualifications and certain experience, and he takes the civil service examination before he can be appointed. Necessarily those people will not accept temporary appointments. It was a question for a long while as to whether or not this responsibility rested upon the customs service or upon our service. From the phraseology of the statute I contended that it did not rest upon our service. I contended that under that statute we were not supposed to perform police duty after we passed upon a vessel and her equipment and issued her certificate, or rejected her, as the case might be, and the vessel was fit for it.

Now, when it came to the navigation laws, it seemed to me under that statute that the customs service was responsible for that, but the Attorney-General has decided that the word "inspectors" in section 4496 referred to inspectors of our service as well as inspectors

of the customs service, although in the compilation of the Revised Statutes, in the marginal notes referring to section 4496, it refers to the duties of customs officers; penalties for violations of duties by customs officers; so that it was shown at that time, and clearly the idea of those who compiled the statutes was that that duty was upon the customs officers.

Mr. TAWNEY. It was doubtless the idea of the man who wrote the marginal notes, but he was not the man who enacted the statutes or compiled the statutes.

Mr. LIVINGSTON. It seems to me, if you inspect a boat to see whether she is safe, you could also count the passengers. Her tonnage is fixed by you?

Mr. UHLER. No.

Mr. LIVINGSTON. Suppose the captain overloads her. Is that your fault?

Mr. UHLER. It is the captain's fault.

Mr. LIVINGSTON. Who is going to count the passengers?

Mr. UHLER. We do, when we can. If we cannot, the customs officers do. There are many steamboats where the passengers are not counted at all, and that is the case where the customs service has not sufficient force and we have not. We try to do that with the large excursion boats in the summer time.

Mr. GILLET. You could not expect to have a force sufficiently large to enable you to supply an officer on every excursion boat in the country?

DUTIES OF THE STEAMBOAT-INSPECTION SERVICE.

Mr. UHLER. No, sir. Much more is expected now of the Steamboat-Inspection Service than was expected some years ago. A very few years ago one inspection was sufficient, but now we not only have our regular annual inspection, but the passenger and ferry boats by the order of the Secretary are inspected at least three or four times on intermediate inspections. The intermediate inspections are almost like the annual inspections except for the fact of granting the certificate. A year ago we changed as many assistant inspectors as we could from New York to Baltimore, and from Baltimore to Boston and New York and elsewhere, so as not to have those boats inspected by the same people.

Mr. LIVINGSTON. Do you take into account in your inspection the life of the boiler, and so on?

Mr. UHLER. Yes. If the vessel and her equipment are not in every way to the satisfaction of the local inspector, the vessel does not get a certificate until it is made satisfactory. We have a record in that service, Mr. Livingston, of every plate of steel that has been rolled in this country that enters into the construction of a steamboat boiler.

Mr. LIVINGSTON. Do you know that that steel is always up to standard?

Mr. UHLER. Yes, sir.

Mr. LIVINGSTON. We have reports that it is not always up to the standard. Who inspects the steel for you?

Mr. UHLER. We have assistant inspectors detailed for that duty alone in the mills.

PERSONNEL OF THE SERVICE.

Mr. TAWNEY. Can you tell us how many inspectors you have in the service?

Mr. UHLER. Yes, sir. We have, with the board of supervising inspectors, 220.

Mr. TAWNEY. How many assistant inspectors?

Mr. UHLER. About 70, as I remember it now, sir.

Mr. TAWNEY. You have in all about 300?

Mr. UHLER. We have 288 in the service, including everybody.

Mr. BINGHAM. Under permanent appropriations?

Mr. UHLER. Yes. Included in that force is the Supervising Inspector-General and the force here in Washington. There is only one messenger in the service, and only that one female in this office.

Mr. GILLET. You do not mean you have 288 inspectors?

Mr. UHLER. No, we have 241 inspectors.

Mr. GILLET. I understood you to say there are 220 inspectors and 70 assistant inspectors?

Mr. UHLER. No. We have altogether about 88 local inspectors and 10 supervising inspectors. The balance is made up of assistant inspectors.

SALARIES OF STEAMBOAT INSPECTORS.

Mr. BINGHAM. Are their salaries fixed by law, or are they discretionary with the Secretary?

Mr. UHLER. In some places the salary is fixed by law, and in other places it is discretionary. In New York the salary of the inspector is fixed at \$2,000. At Philadelphia, New Orleans, Baltimore, and San Francisco it is \$1,800.

Mr. BINGHAM. And traveling expenses?

Mr. UHLER. Yes; and at all other places not to exceed \$1,500, in the discretion of the Secretary. Under that the lowest we ever had were two at Milwaukee at \$1,200. But all the new assistant inspectors that have been appointed lately at the discretion of the Secretary were put in at \$1,400, probationary, and then advanced to the limit of \$1,600.

Mr. GILLET. None of this force is used outside of your office?

Mr. UHLER. None at all.

Mr. GILLET. Is any of the outside force used in your office?

Mr. UHLER. Not one. Under the law we can not detail anyone from the outside service to Washington.

WEDNESDAY, JANUARY 29, 1908.

BUREAU OF NAVIGATION.

STATEMENT OF MR. EUGENE TYLER CHAMBERLIN, COMMISSIONER OF NAVIGATION.

Mr. BINGHAM. Mr. Commissioner, tell us why you want this little change of a messenger instead of an assistant messenger?

Mr. CHAMBERLIN. I want that little change because my office is remote from the Secretary's office and it was a question in my mind

whether to ask for one messenger and two assistant messengers or to promote the messenger I have. I would rather promote the messenger I have because he has been there since 1899, and he is a very competent man. I have all I can do to keep him away from the Secretary.

BUREAU OF IMMIGRATION AND NATURALIZATION.

STATEMENT OF MR. F. P. SARGENT, COMMISSIONER-GENERAL OF IMMIGRATION, AND MR. RICHARD K. CAMPBELL, CHIEF OF DIVISION OF NATURALIZATION.

INCREASE OF CLERICAL FORCE.

Mr. BINGHAM. Your note says [reads]:

One audit clerk, two expert stenographic clerks, and four record clerks will be needed as an addition to the force of this Bureau for the next fiscal year and are submitted in this estimate. The salaries specified are those required to be paid for capable men possessing the qualifications needed to fill these positions.

Are these entirely new?

Mr. SARGENT. Yes, sir.

Mr. BINGHAM. In the selection of this body of subordinate force do you promote your present force?

Mr. SARGENT. Yes. When we have any that are eligible for promotion we always promote.

Mr. BINGHAM. Give us a statement of the necessity for the addition of six clerks.

Mr. SARGENT. The increase of our bureau work is the reason why we ask for the increased number of clerks.

Mr. BINGHAM. At what compensation would you put them in?

Mr. SARGENT. We would promote those in the lower salaries.

Mr. BINGHAM. That means six promotions?

Mr. SARGENT. Yes, sir. The business is growing very rapidly. We are shorthanded now, and we actually need those additional employees. By July 1st next it will, of course, be absolutely necessary to put them on.

Mr. BINGHAM. How many have you on your force now?

Mr. SARGENT. I think about twenty-five.

Mr. BINGHAM. This means an increase of your force by 25%.

Mr. SARGENT. Yes, sir.

Mr. BINGHAM. Has your work increased that much?

Mr. SARGENT. Yes. The work has increased at least 50%.

Mr. LIVINGSTON. You ask for clerks of class two and class three, so that if we should allow these you could not promote anybody to class four?

Mr. SARGENT. No; they would have to be promoted to the classes stated, from the lower grades.

Mr. BINGHAM. Does each new law in connection with immigration increase your work?

Mr. SARGENT. Yes. We get a great deal of correspondence and requisitions for verification of landings in order to deport from asylums and charitable institutions those who are reported to us as being

charges. We try to be as economical as possible, and we are short-handed.

Mr. GILLET. Don't you expect next year that immigration will drop off decidedly, and will not that decrease your work?

Mr. SARGENT. I do not look for it to drop off unless there would be an unusual and continued depression of business throughout the country.

Mr. GILLET. If it should drop off, it would decrease your work?

Mr. SARGENT. Not much. There is certain work to be done. Our deportations will increase every year because there are more public charges being reported from those institutions than formerly, and it involves correspondence and investigation of those particular cases. I do not think in Washington there will be any depreciation of our work. Whatever depreciation there will be will be at the stations where they arrive.

Mr. GILLET. You mean that the work in Washington does not vary with the number of immigrants?

Mr. SARGENT. No, sir. We have to make so many records. We have to send out so many reports and handle so much correspondence all the time. The records and the reports are covered largely by arrivals. We might be able to dispense with a few inspectors and people of that kind, but our clerical work in Washington is going to be maintained at about an average the year round.

Mr. GILLET. It would not increase, then, with the increasing immigration and decrease with the decreasing immigration?

Mr. SARGENT. Not to any appreciable extent. We have a certain routine business that is gradually being built up as the bureau grows. We have the contract labor law, the Chinese exclusion law, and all these things to handle. We have always been short-handed as regards the employees here in the office in Washington.

Mr. LIVINGSTON. Are you adding new agents and inspectors where they are needed?

Mr. SARGENT. Yes, sir.

Mr. BURLESON. Are these inspectors that you are adding along the Mexican line for the purpose of excluding Japanese and Chinese, or for the natives of Mexico coming across the border?

Mr. SARGENT. We are not having any serious trouble with the natives of Mexico. Our border forces are looking after the Asiatics; Japanese and Chinese. We do not have any difficulty in handling the Mexicans.

Mr. BURLESON. You have nothing to do with them except to exclude them?

Mr. SARGENT. We have to examine them—examine them the same as any other aliens. They are exempt from head tax, however, by reason of their being citizens of Mexico.

Mr. BURLESON. You exclude the indigent and criminal classes and the diseased classes?

Mr. SARGENT. Yes; but the Mexicans generally present themselves at the regular ports of entry, while the Japanese and Chinese present themselves in the sage brush along the line, wherever they can find a vacant place. It requires a large force of men to guard the border, and that increases our work here in Washington.

NATURALIZATION OF ALIENS.

Mr. BINGHAM. Go to the next paragraph on page 309, at the end of it. The appropriation there estimated for is now carried in the Sundry Civil bill, which was passed after we reported our Legislative bill for the current year.

Mr. COURTS. It was put on by Senate amendment.

Mr. BINGHAM. You ask for these increases one clerk of class four, one clerk of class three, one clerk of class two, one clerk of class one, and one messenger.

Mr. SARGENT. That is Mr. Campbell's division in my bureau. He will answer that. He is the chief of the Division of Naturalization.

Mr. BINGHAM. Why this increase? Have you been able to handle your work heretofore?

Mr. CAMPBELL. No, sir; we have not.

Mr. BINGHAM. How much behind are you?

Mr. CAMPBELL. We are behind probably about six weeks.

Mr. BINGHAM. Why do you need this large additional force if you are only behind that much? How much is your present force?

Mr. CAMPBELL. About twenty-two. We ask for an increase of four.

Mr. BINGHAM. Will these be promotions?

Mr. CAMPBELL. There will be promotions in the office, but these vacancies will be filled as Mr. Sargent explained.

Mr. BINGHAM. Your new appointments will go to the lower pay?

Mr. CAMPBELL. Yes, sir. The inexperienced men who come in without any knowledge of the business will go to the lower positions. I may say in explanation, Mr. Chairman, that when the estimate was made for the clerical force a year ago it was made on the basis of the work then coming into the office. That work has increased about 60%. It was suggested at the time that there would be this opportunity of getting the additional clerks provided for in the Urgent Deficiency bill, and when that bill was under consideration I appeared before the Committee and they were allowed.

Mr. BINGHAM. Is the increased cost anticipated on account of the increase of immigration?

Mr. CAMPBELL. No, sir, not at all. It is because of the increase of petitions for naturalization. The new law provides that there shall be a period of ninety days after the filing of a petition, so that there were no petitions from the time this became operative until January of last year. Then the petitions and certificates began to come in. Cases began to mature. Then it became necessary for investigations to be made to see if any objection should be urged by the Government to the granting of those petitions, and they are increasing each month. Evidently the new law was merely a deterrent at first, but as they are getting used to it, every month sees a larger number of petitions and declarations.

ADDITIONAL MESSENGER.

I would say a word of explanation, if necessary, in regard to that additional messenger that is asked for there. That is due to the fact that the quarters of the division are located some little distance from the Department of Commerce and Labor, and it is necessary to send

papers back and forth, leaving but two messengers in the office, one of whom is exclusively occupied in opening and copying mail.

Mr. GILLETT. Where are you?

Mr. CAMPBELL. In the Munsey building.

Mr. BINGHAM. You want \$166,500. Have you an appropriation of \$166,500 under the Sundry Civil bill?

Mr. CAMPBELL. No, sir. We have nothing in the Sundry Civil bill. That is a new item.

Mr. GILLETT. What is it for?

EXAMINERS IN THE FIELD.

Mr. CAMPBELL. For the employment and compensation of examiners who are used in the field for the purpose of investigating petitioners and their witnesses to ascertain, when a case comes on for hearing in the courts, whether or not there is any valid objection to the petition. That is an entirely new item. In the appropriation we had last year, \$100,000, there was nothing provided for except the office force here in Washington. Now the Secretary asks for this \$166,500 for examiners—

Mr. BURLESON. Based on the assumption that the court would not make a careful examination?

Mr. CAMPBELL. Perhaps not that exactly, but that the court could not, without the consumption of an unreasonable amount of time and delay of litigation. That is, in the ordinary course of cross-examination it would take a long time to develop any ground of objection. I should explain that the Department of Justice was allowed last year \$100,000, and out of that sum they paid assistant attorneys and examiners. The view of the Department of Commerce and Labor is that these examiners should be in the Department of Commerce and Labor and under the direction of the Division of Naturalization in the Bureau of Immigration and Naturalization.

Mr. GILLETT. Do the Attorney-General's subordinates appear in court in these cases?

Mr. CAMPBELL. Invariably.

Mr. GILLETT. Ought not the attorney who tries the case to have the control of the money for the witnesses?

Mr. CAMPBELL. These are for examiners.

Mr. GILLETT. I mean the men who make up the cases.

Mr. CAMPBELL. The examiners work up the cases just as inspectors of the Postoffice Department work up their cases.

Mr. GILLETT. Does the Department of Justice acquiesce in this?

Mr. CAMPBELL. Yes; and they prefer that it should be with us, although they are satisfied to continue the present conditions if Congress thinks that is the wisest course. The Secretary of Commerce and Labor is also satisfied if Congress thinks that is the better way. The courts are particularly commendatory of these investigations, as removing uncertainty and avoiding unnecessary delay in litigation.

Mr. GILLETT. How many of them are there?

Mr. CAMPBELL. I think there are between 40 and 50.

Mr. GILLETT. Distributed how?

Mr. CAMPBELL. In the principal cities—Boston, New York, Philadelphia, Pittsburg, St. Paul, Detroit, St. Louis, Denver, San Fran-

cisco, and Seattle. Those are about the only points that have been provided for thus far. We think there should be an assistant attorney and an examiner down in Texas. That is a large territory to cover.

Mr. GILLETT. How are these appointed—by the Attorney-General?

Mr. CAMPBELL. They are appointed through the Civil Service Commission.

Mr. GILLETT. You say you had \$100,000 last year and now you ask for \$166,000?

Mr. CAMPBELL. The Attorney-General had \$100,000, and the other day he got approved in the urgent deficiency bill an appropriation of \$93,000.

Mr. GILLETT. For the same service?

Mr. CAMPBELL. Yes; making \$193,000 for the first year.

Mr. GILLETT. How did you fix the amount, \$166,500?

Mr. CAMPBELL. I took it from the estimates made by the Attorney-General, which covered both the assistant attorneys and the examiners—no, his estimate covered only the examiners. The Attorney-General stated the other day that he had no objection if Congress thinks otherwise, and that he would be satisfied if the examiners are provided for.

Mr. GILLETT. Do not the regular district attorneys do this? Do they have special ones?

Mr. CAMPBELL. Yes; special ones.

Mr. GILLETT. Do you mean an Assistant Attorney-General?

Mr. CAMPBELL. An assistant attorney, I mean.

Mr. GILLETT. Do you mean you have one in each city?

Mr. CAMPBELL. One in each of the cities I have mentioned, covering large districts, three or four States. The Seattle man covers the States of Washington, Oregon, Idaho, and Montana, and all the Federal courts and higher State courts.

Mr. GILLETT. Why would not the United States district attorneys in each of these places be able to do it?

Mr. CAMPBELL. They make the statement to the Attorney-General they have already, with their proper duties, as much as they can attend to, and we find out in actual experience that a man appointed for a specific purpose takes a much more lively interest in it. I think Mr. Sargent will bear me out in the remark that if we had such assistant attorneys in the Chinese exclusion we would have had much more successful results, so far as the courts go.

Mr. SARGENT. That is true, Mr. Campbell.

DIVISION OF INFORMATION.

Mr. BINGHAM. Now we come to the paragraph for the Division of Information, established under Section 40 of the Act approved February 20, 1907, etc.

Mr. GILLETT. This is new, except that you had a lump sum appropriation?

Mr. SARGENT. Yes; we had a lump sum appropriation last year, with which we established the division.

Mr. GILLETT. Tell us what that division is.

Mr. BINGHAM. In what form are you operating under that?

Mr. SARGENT. In furnishing information to immigrants who arrive here, concerning opportunities for employment and the purchase of land, and conditions in this country.

Mr. BINGHAM. What was that lump sum?

Mr. SARGENT. Fifty thousand dollars.

Mr. BINGHAM. You have organized your bureau and established that line of work under the act of Congress?

Mr. SARGENT. Yes, sir; and we are developing the work.

Mr. BINGHAM. Have you expended the whole amount this year?

Mr. SARGENT. No, sir. We will spend a little over \$35,000. Of course we are trying to run it very economically and not incur a deficiency. The work is growing so rapidly, however, that we have asked for an additional appropriation in order to carry the work on successfully.

Mr. BINGHAM. Your estimate is for \$21,000?

Mr. SARGENT. Yes; that is for employees.

Mr. BINGHAM. I understand you have expended something like thirty or thirty-five thousand dollars out of the \$50,000?

Mr. SARGENT. Yes.

Mr. BINGHAM. What organization have you now?

Mr. SARGENT. Nine employees.

Mr. BINGHAM. You do not expect an additional \$50,000, plus \$21,000, do you?

Mr. SARGENT. These will be paid out of the general appropriation which you make for the carrying on of our service—out of the regular salaries in the permanent fund.

Mr. BINGHAM. This is not clearly put here. How much do you ask for the sum total? It seems you want \$21,000 for the subordinate force?

Mr. SARGENT. Yes; the additional force we require. That is for our clerical force in Washington.

Mr. GILLET. Where do you get your appropriation for anything else?

Mr. SARGENT. We are asking in the bill for \$21,040.00 to carry on the work.

Mr. GILLET. On what bill?

Mr. SARGENT. The regular bill that we are in, the Sundry Civil bill.

Mr. GILLET. Why should it not all be in the Sundry Civil bill?

Mr. SARGENT. We ask for the regular employees here in Washington on the Legislative bill.

I appreciate your courtesy in allowing me to read the proofs of hearing extended to the Bureau of Immigration and Naturalization on January 29th. I wish, however, to correct one statement, which I find is erroneous.

The total number of employees charged to our roll here in Washington, in the Bureau of Immigration proper, is 35. I inclose memorandum showing title and class. We are asking also for an addition of six, which is absolutely necessary to the carrying on of the business.

The total estimate for the Washington service, not including the Division of Information, is \$50,900, the present force consisting, as I said, of 35.

The Division of Information, established under the provisions of Sec. 40 of the Act approved Feb. 20, 1907, for which \$50,000 was appropriated at the time of the passage of the Act, has expended of

that amount, in organization and equipment to the present moment, approximately \$10,000. In the hearing I stated that we would spend a little over \$35,000, but I learn that in all probability we will not require out of the \$50,000 more than \$15,000. We are asking for the Division of Information three additional clerks, which is estimated at \$21,040. This is all that is required for the Division of Information.

THURSDAY, JANUARY 30, 1908.

BUREAU OF STANDARDS.

STATEMENT OF MR. S. W. STRATTON, DIRECTOR.

Mr. BINGHAM. Mr. Director, the current law gives you \$130,000 in round numbers, and you ask for \$149,000 for 1909.

Mr. STRATTON. Yes.

TWO ASSOCIATE PHYSICISTS.

Mr. LIVINGSTON. You want two associate physicists there, on page 311. Those are new?

Mr. STRATTON. They are new, in lieu of two that were formerly at \$2,500.

Mr. BINGHAM. You ask for two at \$3,000?

Mr. STRATTON. Yes.

Mr. BINGHAM. This is an increase of one and an increase of salary?

Mr. STRATTON. It amounts only to an increase in salary.

Mr. BINGHAM. Give us an idea, first, of what work you are doing and what is the result of it.

TESTING FOR THE GOVERNMENT.

Mr. STRATTON. The increase this year is due largely to the amount of Government testing that we have been doing.

Mr. BINGHAM. Where does that run?

Mr. STRATTON. It comes from almost the entire Government. The Bureau has done work for 37 bureaus and divisions of the Government.

Mr. BINGHAM. To what extent?

Mr. STRATTON. Requests from the Coast and Geodetic Survey would be for standardization of their measuring instruments, their base-bars, and so on. The requests from the Government Printing Office would be as to the purity of the composition of their papers. The requests from the Light House Board would be as to the character of the paints, oils, and other materials which they purchase, and also their signal glass. The Treasury Department submits to us, in connection with the Customs Service, all instruments used in the determination of the duties on sugar and all instruments used in determining the internal revenue on alcoholic liquors.

Mr. TAWNEY. Do you do any work for the Agricultural Department?

Mr. STRATTON. Yes, sir; we do considerable standardizing for the Bureau of Chemistry.

Mr. TAWNEY. Have they not got a laboratory over there of their own?

Mr. STRATTON. Yes, but they come to the Bureau of Standards for standard weights and measures and the testing of measuring apparatus all of which must necessarily be compared with the standards of the Government.

Mr. BRICK. Do you do any testing in materials used by the Government, varnishes and paints and things of that character?

Mr. STRATTON. This increase that we are asking for is due almost entirely to work of that character. We have devoted a large part of the increase given last year to that work. It is so important that I have brought here two cases for illustration, one case in regard to the paints, oils, varnishes and other purchases of the Light-House Board. The other is that of paper. Of six samples of varnish submitted—that means a sample taken out of each one of six shipments—four were rejected. Out of 24 samples of paint, 14 were rejected. The specifications for the shellac varnish called for pure grain alcohol, that is, and it was found to contain pure wood alcohol, there is a difference of one dollar and fifty cents per gallon in the cost of grain and wood alcohol. In one case where copal varnish called for pure turpentine, 72 per cent of benzene was found. In the case of a Japan drier, which should contain only turpentine, 30 per cent of benzene was found, and the volume of the varnish was from 2 per cent to 5 per cent short. In one vermilion that called for 98 per cent lead chromate, with no artificial dye, 29 per cent of barytes was found and 6 per cent coal tar dye, mostly fugitive. Two samples of chrome green that should contain 90 per cent pigment were submitted. In one there was found to be 17 per cent of gypsum, and the other, was found to be 10.7 short in weight. In a case of chrome green, 98 per cent of which was to be pigment, 3.2 per cent was found to be pigment while the balance was barytes; and in two other cases which should have been 98 per cent pigment, one was 3.2 per cent pigment and the balance barytes and clay, and the other was 6.8 per cent pigment and the balance barytes. In still another case of chrome green, in which pure linseed oil and turpentine should have been used, 13 per cent of benzene was found. In two cases of chrome green it was found that the volume was from 4.8 to 5 per cent short. White lead, supposed to be 98 per cent lead carbonate, was found to contain 55 per cent of zinc oxide and 44.5 per cent of lead sulphate. One white zinc paint was to be 98 per cent zinc oxide, but it contained 83.5 per cent barytes, a very heavy stone which is ground fine and used to adulterate paints. A brown paint which should have been free from whiting was found to contain 10.8 per cent whiting. One patent dryer, supposed to be free from barytes, was found to contain 10.8 per cent of it.

Mr. BINGHAM. That is just from one bureau?

Mr. STRATTON. Yes.

Mr. BINGHAM. That runs similar to your other inquiries and tests referred to you by other bureaus?

Mr. STRATTON. Yes. We can only take up one or two lines at a time and do them well. The Light-House Board has no facilities of its own for making these tests, and as it is in our own Department we have undertaken to help them out, with a view also to show what can be done, and to satisfy ourselves as to what was going on.

Mr. BRICK. What other departments have you investigated?

Mr. STRATTON. The paper used in the Government Printing Office and the Post Office Dept. has been examined by the Bureau this year, and a number of rejections made. Samples of paper calling for 70% of rags were found to contain but 40%. We have tested the paper used for stamped envelopes by the Postoffice Department. In other cases where 65% of rag pulp is called for, only 30% or 35% was used. The best paper is made of all rags. For some purposes wood paper is sufficient, but when the govt. pays for rag paper it should get it. Records printed on wood pulp paper will not last; they are going to disappear.

We took up the case of the paper purchased by the Postoffice Department and the Government Printing Office at their request and because they purchase very large quantities of practically the same article, they have cooperated with the bureau, and I am of the opinion that in all of those cases fraud is not favored at all by the purchasing agents, but that it occurs because of their lack of experts and the facilities to prepare specifications and make tests.

Mr. TAWNEY. It would be comparatively easy for the manufacturers who are selling these articles to the Government to impose on the purchasing agents who did not have technical knowledge or the benefit of chemical analysis of the products?

Mr. STRATTON. Yes; and it goes back of that to the preparation of the specifications. The specifications in many cases are prepared by men who do not have the proper technical knowledge. Manufacturers take advantage of that, and in many cases these disputes arise because of improper specifications. Our work should begin with the specifications, and we do that wherever possible.

Mr. LIVINGSTON. Can not the Public Printer and the Postmaster-General submit, before they let contracts, samples of that paper with you?

Mr. STRATTON. Yes. They did that this year, and every delivery of paper is tested to see that it is up to the standard.

Mr. TAWNEY. If that provision had become a law, which this Committee passed at the last session of Congress and which the House passed in regard to standardizing supplies of all Departments, whereby the specifications should be prepared by experts, would the same opportunity for these frauds exist as exists now under the present system?

Mr. STRATTON. No, sir. But that provision should include facilities for the testing of goods delivered to the Government.

Mr. TAWNEY. Yes; but if the specifications were prepared by people who were familiar with the standard of material, that standard of material that ought to be called for or ought to be used, there would be less difficulty in effecting settlements of these reductions after the material had been furnished and rejected, would there not?

Mr. STRATTON. Oh, yes; there would be little difficulty if the Government is clear as to specifications and lets it be known that that material will be tested. The good manufacturer will not object. He wants it. In the cases cited I know that some of the best manufacturers lost the contract. This is what happens: A person submits a bid below that which a reputable manufacturer can furnish the articles for, and expects to make good by cutting down the quality. Again, there may be cases where the adulterant is as good as the

article. Take this case of white lead, which should be all lead carbonate, but has 55% of zinc oxide and 45% of lead sulphate. Perhaps the lead sulphate is as good; but it has not been shown to be as good, and the Light-House Board had not asked for it.

Mr. TAWNEY. You speak of oil for the Light-House Board. Is that illuminating oil?

Mr. STRATTON. I refer to oils used in paints. They are going to test their illuminating oils, but under our direction. We offered all the purchasing agents the privilege of coming out to the bureau and learning how to test. We are now teaching an expert from the Government Printing Office and one from the Treasury Department.

Mr. LIVINGSTON. Do you test the gas used by the Government here in town?

Mr. STRATTON. We could, but we have not done it.

Mr. LIVINGSTON. Won't you do it?

Mr. STRATTON. Yes; you may be interested to know that the Bureau of Standards has brought uniform standard of light used by the electrical interests of this country. We are assisting the gas engineers to do the same thing. Recently these large interests have agreed to refer many such questions to the Bureau of Standards, we will soon have a uniform standard of candle power. Before you bring tests to bear upon the gas producers it is necessary to have a standard candle power and more accurate methods of measurement. There is no reason why they should not have it. We are pushing that work just as fast as we can. Every large city should combine its gas tests, water-meter tests and electric lighting tests under one bureau.

Mr. TAWNEY. How many testing bureaus have we got here in Washington in the several Executive Departments?

Mr. STRATTON. I think that almost every bureau is compelled to do more or less testing of its own, but of course you find the same things handled differently, and in many cases they are not handled at all. There is no uniformity.

Mr. TAWNEY. Does not that necessarily lead to a great duplication of work?

Mr. STRATTON. Yes, and to non-uniformity of specifications. The purchasing agent in one Department may not know anything about paints and oils, and he sends out specifications that are ridiculous.

Mr. BRICK. Can we not eliminate those testing offices from those different bureaus and put them practically all in your hands for the benefit of the Government?

Mr. STRATTON. I think it will come to that naturally. The Bureau has not solicited any of this work from the Government, but has made the tests referred to a moment ago upon request. Our work for the public is in the nature of the standardization of instruments.

Mr. BINGHAM. Do you test samples prior to acceptance of bids by the Department?

Mr. STRATTON. Yes, and afterwards also, to see if they come up to the standard.

Mr. BINGHAM. That has been largely your work in the past year in this Division?

Mr. STRATTON. Yes, that in connection with Government purchases. Of course we have handled the regular work in connection with the testing of instruments for the public. We have done work for 37

universities and colleges all over the country in the past year. Here is a list of the tests made for educational institutions during the past six months:

Universities and colleges.

Agricultural and Mechanical College of Texas	1
Allegheny College	1
University of California	1
Carnegie Laboratory of Engineering	1
Carnegie Technical School	3
Case School of Applied Science	1
Clark University	1
Cornell University	5
Georgia School of Technology	1
Hatch Experiment Station	2
University of Illinois	1
Iowa State College	1
Johns Hopkins University	1
McKinley Manual Training School	1
University of Maine	1
Massachusetts Institute of Technology	5
Miami University	1
University of Minnesota	1
Mississippi College	1
University of North Carolina	2
University of Nebraska	1
North Dakota Agricultural College	1
University of North Dakota	1
Ohio University	1
University of Pennsylvania	1
Princeton University	1
Purdue University	3
Rochester Athenaeum and Mechanics Institute	1
Rensselaer Polytechnic Institute	1
State College of Agriculture and Mechanic Arts	1
State College of Kentucky	2
Syracuse University	1
Telluride Institute	1
Trinity College	1
Washington University	1
University of Washington	1
University of Wisconsin	2
(53 requests from 37 institutions.)	

1907.

Requests for tests from Government Departments.

Department.	Bureaus or Divisions.	Number of re- quests received.
Agriculture	7	27
Commerce and Labor	9	46
Treasury	5	56
War	4	13
Navy	8	18
Interior	2	19
District of Columbia	7	15
Justice	1	1
Senate	1	2
Smithsonian	1	1
Government Printing Office	1	50
U. S. Capitol	1	14
National Museum	1	1
Library of Congress	1	1
Post-Office Department	1	20

STATES.

New York	3
New Jersey	1
Massachusetts	2

CITIES.

New York	4
Boston	2

Mr. TAWNEY. Is that work done gratuitously, or is a charge made for it?

Mr. STRATTON. There is a charge made for the public tests, but State and Government institutions are exempted. You may be interested to know what our income has been in that connection.

NUMBER OF TESTS MADE AND RECEIPTS THEREFROM.

Mr. TAWNEY. What are your receipts from work done for the public?

Mr. STRATTON. From June last to date our total number of tests is nearly 11,000; 10,900 is the exact number—

Mr. BINGHAM. In what division of your work?

Mr. STRATTON. All divisions, standards, instruments and material. The fees received for the tests made for the public during the past six months amount to about \$4,000, at the same price the Government tests would have brought in \$9,000. Those for Government tests are more, because they are larger tests and larger problems. The public tests include a lot of clinical thermometers the fee for which is say 20 cents apiece, whereas a Government analysis may cost \$5.

Mr. LIVINGSTON. What are your receipts?

Mr. STRATTON. The receipts from the public for the past six months are nearly \$4,000. For the Government, if charged at the same rate, it would be \$9,000 and together they would be over \$11,000. That is for six months.

Mr. BRICK. You charge the public not the full cost that you would figure out in maintaining the establishment, but simply for the cost of labor and time?

Mr. STRATTON. Yes; the actual cost of making the particular test.

Mr. TAWNEY. Give us the elements of cost to the public that you figure in making your charges.

Mr. STRATTON. The time and the materials that are used up in the particular test. We assume that the Government should prepare its own standards and its own measuring apparatus.

Mr. LIVINGSTON. You charge nothing for wear and repairs?

Mr. STRATTON. Not directly.

Mr. LIVINGSTON. But the plant wears all the time. Don't you put in a small per cent to cover that?

Mr. STRATTON. Hardly in that shape.

Mr. LIVINGSTON. For instance, when a man rents his land, he rents it on that basis of wear and tear.

Mr. STRATTON. Yes; but this is a small matter. The increase in the articles submitted this year is 48 per cent and the increase of tests we have made 187 per cent. We increased our force last year by about 10 per cent. In return for that we have increased the volume of tests 187 per cent.

Mr. LIVINGSTON. If we gave you the increase you ask for now, what increase of results will you bring back next year?

Mr. STRATTON. I can not make any promises.

Mr. TAWNEY. When Congress established this bureau some years ago and authorized a charge to be made, was it not for the purpose of preventing every Tom, Dick, and Harry from coming to the bureau to have tests made, rather than that the charge should be a source of profit to the Government?

Mr. STRATTON. Yes. We try to eliminate all unnecessary testing, and I have thought seriously of raising the fees. In some cases we must raise the fees. As we get experience we find out more about the costs. But in doing that, if we are not careful, the testing will all be for the Government. The raising of the fees will have the effect of cutting out work for the public. We should do work for scientific institutions, because in the case of the standardization of a thermometer, for example, for which they would pay, say, four or five dollars, would need, if they did it themselves, the work of a man for a year.

Mr. BURLESON. That is because he has not the facilities for making the tests that you have?

Mr. STRATTON. Yes, that is the reason. Professor Rowland, of Johns Hopkins University, when he determined the mechanical equivalent of heat, which is probably the most important constant used in heat work, spent a couple of years in testing his thermometers. The Bureau can do that now in two or three days' time, and it is available to all the scientific workers of the country; not only to them, but to the manufacturers as well.

Mr. LIVINGSTON. I see that in the University of Texas you made one test, and for Cornell you made five.

Mr. STRATTON. That means that Cornell made five applications. There is no discrimination.

Mr. LIVINGSTON. It shows that some of the universities are taking more interest in it than the others?

Mr. STRATTON. Yes; but it shows perhaps that some are doing more work of investigation than others.

Mr. BRICK. Cornell is a scientific college, too?

Mr. STRATTON. Yes. I am as pleased over this as I am over anything done by the Bureau. It is what the bureau was established for.

Mr. BINGHAM. What Departments of the Government do their own testing now, to-day?

Mr. STRATTON. The War and Navy Departments do a great deal of their own testing, but they are also coming to us for many tests.

Mr. BINGHAM. Are there any others?

Mr. STRATTON. The Treasury Department does a great deal of testing in connection with the office of the Supervising Architect. The Agricultural Department does a great deal. I do not think any Department has established a purely testing bureau, unless it be the office of the supervising Architect. I believe the Geological Survey contemplates the establishment of a Bureau for the testing of engineering and building material.

Mr. BINGHAM. Could you do all their work as you are at present equipped?

Mr. STRATTON. Not as at present equipped, but we could do a great deal of it if we had an extension of our facilities. There would be great economy in concentrating many of these tests. There are some tests that should be done in place; for instance, the technical articles such as we find in the Army and Navy. They ought to be left to them. But where there are large quantities of materials purchased on contract and where those materials depend very largely upon their composition, then we could be of great service.

Mr. LIVINGSTON. Have you tested any of the steel that goes into our battle ships?

Mr. STRATTON. No. I believe there was a dispute between the Navy Department and one of the manufacturers last year as to an analysis of steel, and it was left to us for settlement.

Mr. LIVINGSTON. What was the result? Did you find the contractor below the standard?

Mr. STRATTON. We left it for the Navy Department to decide. It was a dispute as to the composition of the steel.

Mr. LIVINGSTON. I understand. Did it come up to the standard?

Mr. STRATTON. I do not know what their standard was in that case.

Mr. LIVINGSTON. There is a great deal of complaint on that line, and a great deal of suspicion on the part of the Government that we are not getting what we pay for. That is a serious question for us if we continue to build up our Navy.

Mr. TAWNEY. The serious question with us is how we can make our appropriations and keep within the revenues of the Government.

ADDITIONAL FORCE DESIRED.

Mr. BRICK. Is the additional force you ask for intended to be used in such investigations as those you mentioned with respect to paints and oils and supplies for the Government?

Mr. STRATTON. There are about ten new places asked for, minor assistants and a few higher places, and the chances are that a large proportion of the increase would go to that work.

Mr. BRICK. Then your increases here would be entirely on account of your added work, anticipated on account of testing supplies and paints and oils?

Mr. STRATTON. Yes, sir; principally the additional space asked for there is on account of it.

Mr. BRICK. What are the most important of these officials in that work that you ask for, of the new places—two associate physicists?

Mr. STRATTON. Yes. But all are needed some as experts and others to care for the routine testing in all sections of the Bureau.

Mr. TAWNEY. In this passage of the bill, from the lower part of page 311 over to page 313, which covers your clerical force, how many additional clerks do you estimate for, and how many increases of salary?

Mr. STRATTON. There is only one additional clerk and ten additional scientific men.

Mr. TAWNEY. Please indicate where the increases in force are, and what are increases of compensation.

Mr. STRATTON. Do you use the term "clerk" as applying to any employee?

Mr. TAWNEY. Yes, whether employed on the scientific force or anywhere else.

Mr. STRATTON. When we started out we took in a number of men. Some of them have made good, very good, and their salaries ought to be made to correspond with their work. The pay of the two principal positions, that of the physicist and that of the chemist, ought in our judgment to be increased. That increase is asked for because, in the first place, the physicist is the most valuable man in the bureau. He

is an exceedingly good man, and the Bureau will lose him soon if we do not pay salaries commensurate with other institutions. I am not asking for the increase in the salary of any particular man as chemist, but for the salary of the place. It has been vacant for a year. We are trying hard to get a man for it. We must put first-class men in these positions. You have given us new places from time to time, and we have been able to give some of the men increases. Those asked for are only increases in particular places where no promotions are possible. The total increases of salary amount to but \$3,200.

As to the new places, one is at \$2,500, and one at \$2,000, and one at \$1,800, and there are five or six minor assistants varying from \$1,000 to \$1,400. The higher-priced places are for experts, and the others for the minor assistants throughout the laboratory. Does that answer your question?

Mr. TAWNEY. Yes.

Mr. BINGHAM. When you promote now, as you will, should the increase be given to you, from first to second class and from second to third class, and from third to fourth class—when you make these promotions, should we give you your estimate for the lower clerical force, do these men under the rules of the civil service have to go through another examination for qualification to the higher grades?

Mr. STRATTON. No, sir; not by the Civil Service Commission unless they change to another kind of work.

Mr. BINGHAM. Why not in yours as well as the other departments?

Mr. STRATTON. There is no exception to the civil service rules in the Bureau.

Mr. BINGHAM. You mean if a clerk should go over into scientific work he would be examined?

Mr. STRATTON. He would. We are no different, so far as civil service is concerned, from the others. We comply with the civil service rules. We know of no exception. If we have several \$1,200 men and there is a \$1,400 vacancy, we consider the records of those men competent to be promoted, and not only myself but five or six men in the bureau form a committee, to determine which shall be promoted.

Mr. LIVINGSTON. If we give you this increase can you take over the tests from the other Departments?

Mr. STRATTON. We can take over a great many of them, but not all.

Mr. LIVINGSTON. How much of this work could you take on with this increase—half of it?

Mr. STRATTON. We could take over a great deal of it.

Mr. TAWNEY. You could take over only that which the other Departments would be willing to send to your Department, unless Congress directed that certain tests should be made by the Bureau of Standards?

Mr. STRATTON. Yes. It would be unwise to direct that all of it should come until the Bureau of Standards is ready for it.

Mr. LIVINGSTON. How would you manage that? Would you notify the Departments that you are ready to take over their work if they will send it to you?

Mr. STRATTON. If you provide for the centralization of Government purchases provision must be made for the testing of supplies as they are purchased and the Bureau could take care of a large part of it probably all of it in time but not immediately.

Mr. LIVINGSTON. If we could make that statement on the floor it would be valuable.

Mr. STRATTON. It is difficult for me to state how much we could do. But certainly the greater part of it and could exercise a control over all testing that it may be necessary to do at other places.

Mr. BINGHAM. In a Department making up the details of the constituent parts of material, do they come to you for the drawing of the specifications?

Mr. STRATTON. Yes, sir; in many cases, and the practice is increasing.

Mr. BINGHAM. Take chemicals, and things of that kind.

Mr. STRATTON. Yes, the Bureau is called upon for expert advice in such matters by many bureaus of the Government.

Mr. BINGHAM. They come to you for details of the specifications as to constituents and purity?

Mr. STRATTON. Yes. We have not sought it, and there is nothing compelling them to come, and yet it has come rapidly. That is what makes me say that I think the average Government official wants to do the right thing if he can.

Mr. TAWNEY. What exhibit is that [indicating]?

Mr. STRATTON. Samples of paper from the Government printer. This half [indicating] has been exposed to the light, and this half has been protected. You see, all have faded when exposed to light. The colors in many cases should be permanent.

Mr. GILLET. They were supposed not to fade?

Mr. STRATTON. Yes, sir. That is the result of only 60 hours of sunlight. I would be glad to have you consult with the Government Printer and the purchasing agent of the Post Office Department or the Light-House Board or the Joint Committee on Printing. We have done some work for the Joint Committee on Printing. We have just made an investigation on book binding.

Mr. BURLESON. How does the durability of paper made now compare with that made 50 years ago?

Mr. STRATTON. It compares if it is made in the same way; but paper made from wood pulp will not compare with paper made from cotton and linen rags. The trouble is, that we buy paper for cotton or linen and we frequently get it made from wood pulp—

Mr. LIVINGSTON. And from grass?

Mr. STRATTON. One sample was found to contain straw.

APPARATUS, MACHINERY, ETC.

Mr. BINGHAM. Now turn to the next item on page 313, for apparatus, machinery, tools and appliances. We have allowed you \$2,500 for your express wagon and so forth. That you have completed?

Mr. STRATTON. Yes, sir.

Mr. BINGHAM. Now you ask for the same amount for the whole item, \$40,000. Does your increased work require that addition?

Mr. STRATTON. That covers the general running expenses of the bureau. It is the same as last year.

Mr. BINGHAM. I know, but you have eliminated \$2,500. I am asking if your increase of work requires the same gross amount for this coming year?

Mr. STRATTON. You mean if it requires the same sum as last year?

Mr. BINGHAM. Yes. Having eliminated \$2,500 for the purchase of wagon and so forth, you are apparently asking for the \$2,500 again.

Mr. STRATTON. I presume you might take it that way, but we will have to buy a boiler next year, which will cost double the amount of the wagon. I do not understand your question.

Mr. BINGHAM. You need to-day in your work \$40,000, the same as last year, and largely because of your new boiler?

Mr. STRATTON. That is one of the items. I have the classification of what our last \$40,000 was spent for in about six or eight items.

Mr. BINGHAM. Give us that. You use that item for necessary repairs and alterations?

Mr. STRATTON. Yes, sir.

Mr. BINGHAM. You will spend the \$40,000 next year?

Mr. STRATTON. It has not been enough, but I propose to make it enough.

Mr. TAWNEY. I wish you would take that suggestion about purchases and tests and look it over and in the light of your experience of last year, and see if you can suggest any changes in that provision, especially in regard to adding to it a provision that all purchases should be made according to tests provided.

Mr. BINGHAM. Now, he asks for new legislation there; one item towards the construction of a fireproof laboratory for additional space, \$50,000, and another item of \$60,000 for additional land, and still another for the services of exports, \$4,500, and one for the construction of shelter of delivery wagons and tools, etc., \$2,500. Please tell us the necessity of those four items.

CONSTRUCTION OF FIREPROOF LABORATORY.

Mr. STRATTON. The large item is for additional quarters. That is intended entirely for the testing work that I have been speaking of. I have this year fixed up an attic for storing materials; I have turned the carpenter shop outside, and devoted every available space I could for the testing of materials. This additional building is intended for that. It will be two, if not three years, before it is available. Even if this appropriation is made, and is troubling me greatly as to what we are going to do in the meantime.

Mr. BRICK. What do you need this space for?

Mr. STRATTON. For testing materials.

Mr. TAWNEY. If this is not done your capacity for work during the next fiscal year will be limited to the available space which you now have, and if you have any more work to do it will be turned away? Is that the fact?

Mr. STRATTON. Yes. I hate to sacrifice the rest of the bureau to such an extent as has been done this year. I have done it because I thought you would like to know the condition of affairs; and it is a very important work, I thought you would be very much interested in it. I do not like to burden certain parts of the Bureau with the amount of testing they have done this year. Yet everyone has done it willingly. we have put our best men on it.

Mr. GILLET. What is being neglected? What are they taken from?

Mr. STRATTON. The work in connection with the establishing of standards, the testing of standards, and measuring apparatus. That is the main work of the bureau. That, of course, has heretofore been our principal work.

Mr. GILLET. As you go along, does not your work establish certain standards, so that there is less and less to be done on them?

Mr. STRATTON. So far as our own standards are concerned, yes; but improvements are being made all the time, and as that work increases, the comparison with those standards increases also. Take, for example, a standard of length. After it is once established the work is reduced to comparing the standard of the public with it. In the case of electrical standards the establishing of a standard is a very difficult problem and one which we will probably not complete for some time. Many improvements are needed there, as well as in all standards or methods of measurement.

Mr. BINGHAM. Now what, in a word, would you say is the necessity for the first paragraph, as briefly as forcibly as you can?

Mr. STRATTON. I would say that it is necessary to provide space for the testing of materials, primarily the materials purchased by the Government, to ascertain first as to their properties in order that proper specifications may be made for their purchase and second that they may conform to such specifications when purchased.

Mr. BINGHAM. There is no law to the effect that you shall test the materials of the Government? They are referred to you by the action of the Secretary, but there is no law requiring it?

Mr. STRATTON. No, sir. In the testing of materials it is necessary to make investigations and establish standards of materials which are of great benefit to the public generally. That of itself would warrant the establishment of that part of our work. Its usefulness to the public in the end will be more than its usefulness to the Government.

Mr. GILLET. How so, Mr. Stratton?

Mr. STRATTON. Germany has established an institution for this purpose which has 250 employees, its buildings have cost one million dollars. They established that institution solely to develop methods of testing materials, but they do this testing for the government also.

Mr. GILLET. You mean, establish methods so that outside people will pretty well understand it?

Mr. STRATTON. Yes; establish methods and determine properties of materials in order to bring about better conditions as to the use as well as the purchase of materials.

Mr. GILLET. Is that established for materials yet?

Mr. STRATTON. Not at all.

Mr. BINGHAM. Does the German law require the stamp of the Government on the standard?

Mr. STRATTON. In some cases their conditions are very similar to ours. In some cases they have compulsory tests.

Mr. BINGHAM. Your bureau has no compulsory tests?

Mr. STRATTON. No. Germany has three institutions; one for weights and measures, one for scientific investigations, and one for this testing of materials, each of which is larger than the Bureau of Standards.

Mr. BINGHAM. All of which have government stamps?

Mr. STRATTON. Yes, sir; that is to say they are established and maintained by the government.

Mr. BINGHAM. We have none?

Mr. STRATTON. Yes; our own bureau of standards. All of that work is done in the Bureau of Standards, but not to the same extent.

Mr. BINGHAM. There is nothing that requires the Government to get your approval of their chemicals and combinations of materials?

Mr. STRATTON. No, sir; except in some Departments the Secretaries have issued orders; but there is no law.

Mr. BINGHAM. How long will it take for the construction of this building?

Mr. STRATTON. Two years.

Mr. BINGHAM. You ask for \$50,000 only for a start?

Mr. STRATTON. Yes, sir.

Mr. GILLET. Is there any other institution in the country that does this sort of thing, or that is developing along these lines?

Mr. STRATTON. There is in Pittsburg a testing laboratory which tests steel—that is, it tests the tenacity and physical properties. I would like to say in this connection that we avoid all tests that can be made in private laboratories. We are going to assist all these private laboratories by establishing methods and standards of tests.

Mr. BRICK. When you use the word "we" you mean them in Pittsburg? It is a private affair there?

Mr. STRATTON. Yes; it is a private affair. If the Bureau of Standards takes up these tests for the Government purchases, it will undoubtedly establish methods that will be of great value to the private laboratories. In fact, I have recommended the establishment of testing laboratories in several cities.

Mr. BURLISON. Whenever you evolve a new method you immediately communicate it to these people, so that they can be benefited by it?

Mr. STRATTON. Yes. Our idea is to avoid commercial testing as far as possible. We only do it for the public in case of disputes. This of course does not apply to such tests of standards that must be done at a central place.

Mr. BRICK. What is the most important thing on page 314? Is it the building?

Mr. STRATTON. Yes, sir.

ACQUISITION OF ADDITIONAL LAND.

Mr. BINGHAM. On the lower part of page 314, that is by purchase, condemnation, or otherwise. That is for the expansion of your area?

Mr. STRATTON. Yes, sir.

Mr. BINGHAM. Is there any absolute necessity for this?

Mr. STRATTON. Not so far as the buildings at present are concerned; but the land keeps going up in price, and the grade is such that if the land adjacent to us is bought and subdivided it will be lowered in grade, and the Bureau will be on the hill with high embankments around it. But the present site has enough area for immediate use of all the buildings. We do not need this additional land for the new building, but it is very desirable that it should be acquired as soon as possible.

Mr. BINGHAM. Therefore there would be no public inconvenience or injury in any way if we did not make an approval of this paragraph?

Mr. STRATTON. No, sir; not for the present.

SERVICES OF EXPERTS.

Mr. BINGHAM. Now go to the next paragraph, page 315, for services of experts, \$4,500. That is in effect an increase of your force that you have now?

Mr. STRATTON. Yes.

Mr. BINGHAM. In the first paragraph of this division of your Department we supposed that was fully covered.

Mr. STRATTON. We have found by experience that having every place tied up by a certain salary is a little too rigid. I know that the desire of the Government is to bring everything to that basis, and I appreciate it, and I am trying to conform to it, but there are cases when a little flexibility is necessary.

Mr. BINGHAM. You mean when the schedules fixed in the first paragraph in the Bureau of Standards fail to reach the requirement for the men—

Mr. STRATTON. Yes. We are sometimes asked suddenly to perform an investigation, we may need an expert in a particular line of work for a few months' time and then let him go. For this present year we shall turn back from any salary fund more than this item of \$4,500. Every year we have turned back from three to five thousand dollars. We do not make an appointment until we can get a man who is properly qualified for a place. The chemist's place has been vacant for nearly a year, but we feel the need of being able to do what some of the other bureaus are doing to a very large extent—namely, provide for a certain amount of temporary service which is not or can not be anticipated in the way of regular appointees.

Mr. BINGHAM. In other words, this is for temporary employment?

Mr. STRATTON. Yes, only for temporary employment. It is for special cases of investigation that come up and cannot be foreseen.

Mr. BINGHAM. Where is the investigation? In your bureau or elsewhere?

Mr. STRATTON. At the bureau.

Mr. BINGHAM. You have no employment that goes outside?

Mr. STRATTON. We spend no funds for employment that is not specified as salaries. Our general fund or contingent fund is never used for salaries.

CONSTRUCTION OF SHELTER FOR STORAGE.

Mr. BINGHAM. The next is for construction of shelter for delivery wagons and ground tools, and so on.

Mr. STRATTON. I have taken the carpenter shop out of the building in order to secure room for the testing of materials. The delivery wagons and implements used in caring for the grounds should be under cover. This would be used as a store-house as well, for lumber and rough materials.

FOR FUEL, STATIONERY, ETC.

Mr. BINGHAM. As to the next paragraph, do you expend all of that?

Mr. STRATTON. That is the general expense fund, covering coal, lighting and heating.

Mr. BINGHAM. Do you spend all of it?

Mr. STRATTON. Yes. Last year we spent \$14,993.35 of it. Here are the items [reads]:

Distribution of General Expenses for the year ended June 30, 1907:

Coal	\$7,400.22
Freight, drayage, and express	1,077.75
Traveling expenses	1,260.92
Office supplies	1,688.73
Telephone and telegraph	546.99
Books and periodicals	2,474.55
Sundries	544.19
	<hr/>
	\$14,993.35

GRADING, ETC.

Mr. BINGHAM. The next is the same as last year for grading, and so on. You require all that?

Mr. STRATTON. Yes, sir.

Mr. BINGHAM. Has not that been finished?

Mr. STRATTON. Our plan is to do a little each year. We have had but one or two appropriations for this object before this, and with this one we are going to put in the gutters and curbs; there is also considerable grading to be done.

TUESDAY, JANUARY 28, 1908.

SEALS ON UNITED STATES NOTES.

STATEMENT OF MR. CHARLES H. TREAT, TREASURER, ACCOMPANIED BY MR. G. C. BANTZ, DEPUTY ASSISTANT TREASURER.

Mr. TAWNEY. You seal and number all the Treasury notes in the Treasury Department.

Mr. TREAT. We do not number them, but seal them.

Mr. TAWNEY. You do not number them?

Mr. TREAT. No, sir.

Mr. TAWNEY. Where are they numbered?

Mr. TREAT. At the Bureau of Engraving and Printing.

Mr. TAWNEY. You just seal them in the Treasury Department?

Mr. TREAT. Yes, sir.

Mr. TAWNEY. How many people have you employed on that work?

Mr. TREAT. 166 people.

Mr. TAWNEY. Are the notes required to be sealed in your office?

Mr. TREAT. Yes, sir.

Mr. TAWNEY. Is that required by law?

Mr. TREAT. Yes, sir.

Mr. BANTZ. It is a regulation of the Secretary of the Treasury based on the law.

Mr. TAWNEY. What law is it?

Mr. BANTZ. Here is the law (handing copy of law to Mr. Tawney).

Mr. TAWNEY. This is the law, Section 3577 of the Revised Statutes:

The Secretary of the Treasury may cause notes to be engraved, printed and executed, at the Department of the Treasury in Washington, and under his direction, if he deems it inexpedient to procure them to be engraved and printed

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LEGISLATIVE, ETC., INFORMATION, 1862, 1863.
by contract; and he may purchase and provide all the machinery and materials, and employ such persons, and appoint such officers as are necessary for the purpose.

Then section 3 of the act of February 25, 1862, reads as follows:

And be it further enacted, That the United States notes, and the coupon or registered bonds authorized by this Act shall be in such form as the Secretary of the Treasury may direct, and shall bear the written or engraved signatures of the Treasurer of the United States and the Register of the Treasury, and also, as evidence of their lawful issue, the imprint of a copy of the seal of the Treasury Department, which imprint shall be made under the direction of the Secretary, after the said notes or bonds shall be received from the engraver and before they are issued.

* * * * *
That is the law under which this work is being done in the Treasury Department?

Mr. TREAT. Yes, sir.

Mr. BANTZ. The Revised Statutes take precedence over the other act. I do not think the other act was really covered in the Revised Statutes, but the intent is there.

Mr. TAWNEY. Is it under this section of the Revised Statutes that you are doing this work in the Treasury building?

Mr. TREAT. Yes, sir.

Mr. TAWNEY. Why could not the work be done in the Bureau of Engraving and Printing?

Mr. TREAT. It formerly was done there, but when Mr. Manning was Secretary of the Treasury there was an investigation made by a committee and they decided that it was absolutely necessary, in order to have an efficient restraint and a check, that it should be verified by the Treasury Department, because the Director of the Bureau of Engraving and Printing was not a bonded officer and there was no responsibility attached.

Mr. TAWNEY. Bank notes are now engraved in the Bureau of Engraving and Printing?

Mr. BANTZ. Yes, sir; everything except the signatures of the bank officers.

Mr. TAWNEY. All the work except the sealing and the numeral is done in the Bureau of Engraving and Printing?

Mr. BANTZ. Yes, sir.

Mr. TAWNEY. What do you mean by the numeral?

Mr. BANTZ. The figure indicating the denomination of the note.

Mr. TREAT. The denomination number and the seal.

Mr. TAWNEY. The number of the note is put on in the Bureau?

Mr. TREAT. Yes, sir.

Mr. BANTZ. It is incomplete money when it leaves the Bureau.

Mr. TAWNEY. National bank notes are all sealed and the numeral is put on in the Bureau of Engraving and Printing?

Mr. BANTZ. Yes, sir; but they are not complete, because they have not the names of the bank officers. The officers are supposed to sign the notes when they get them.

Mr. TREAT. The court has decided that the bank is liable even without the signature.

Mr. BANTZ. The president and cashier have to sign national bank notes.

Mr. LIVINGSTON. What is done with the national bank notes at the Bureau of Engraving and Printing?

Mr. BANTZ. The seal is put on in the Bureau of Engraving and Printing, but the note lacks the signatures of the officers to make it complete. It is made complete by the signatures of the president and the cashier.

Mr. TAWNEY. Is the number indicating the series and the seal printed at the same time, with one impression?

Mr. TREAT. Yes, sir.

Mr. TAWNEY. What would be your objection to the work being done in the Bureau of Engraving and Printing, provided it could be done, in the judgment of the Committee, at a very great less expense?

Mr. TREAT. The report that was made at the time Mr. Manning was Secretary of the Treasury is very full on that point, they investigated it and Mr. Sullivan has those papers, and I do not think it could be stated any better.

Mr. BANTZ. There would be no check on the Bureau of Engraving and Printing as to the money in their hands if they put the seal on the notes. If they completed the whole thing the Treasurer could never know what amount was really issued. Now, he has that check on the matter. The bills are sent to him and he completes them and knows all about them.

Mr. TREAT. When I became Treasurer I made a very extended inquiry and there were several reasons: In the first place, this was a check and if the vans were attacked in transit they would get only incomplete money. Then, again, it was a check upon the number of sheets issued, there would be more likelihood of imperfection, especially using different inks, and I have taken that into account.

Mr. TAWNEY. How was this work done prior to the Manning report?

Mr. TREAT. It was done at the Bureau of Engraving and Printing.

Mr. TAWNEY. Have you any record of any mistakes or the issuing of more money than was reported to the Treasurer in consequence of its being done there at that time?

Mr. BANTZ. I have incidentally heard of sheets being lost.

Mr. TAWNEY. Was it complete money?

Mr. BANTZ. I do not know whether or not it was complete money.

Mr. TAWNEY. You do not know whether or not it was complete money?

Mr. BANTZ. No, sir; I do not.

Mr. TREAT. I talked with Mr. Sullivan about this matter and Mr. Sullivan said, "Mr. Treat, I want this work to stay where it is." I told him that we were very much pressed for room in the Treasury and as you who have been there know, we are as closely packed as if we were in a sweat shop. Mr. Sullivan said: "In the first place, I have not the room here, I could not spare the room, and in the next place it is a check. It relieves me of a great responsibility to know that all these sheets are checked up and you report to me any discrepancy at once, and if we did not have that check, and I had to leave it to my subordinates, I think it would be a very imperfect piece of business, and therefore my experience is that you should keep it there and do the best you can." Then when I looked it all over and talked with the men who had been there thirty or forty years I made up my mind that it was absolutely essential. I found that the opinion of all

of them was that we had less imperfect notes than when it was all done in one place.

Mr. BRICK. The officials of the bank have to sign the bank notes?

Mr. TREAT. Yes, sir.

Mr. BRICK. And that is in a measure a check?

Mr. TREAT. Yes, sir; it was so intended. There was a decision of the court made a few years ago that the bank was liable for the purloining of the sheets regardless of the signatures not being attached if once delivered to the bank.

Mr. TAWNEY. You have no record of any loss or the stealing of any complete money while this work was being done in the Bureau of Engraving and Printing.

Mr. TREAT. No, sir; Mr. Sullivan will have that. There is one thing to consider, this is a preventive and I think that is very important.

Mr. BINGHAM. It is a check?

Mr. TREAT. Yes, sir.

Mr. BINGHAM. Is this sealing done in the Treasury building?

Mr. TREAT. Yes, sir; in the basement.

Mr. BINGHAM. The notes are transferred from the Bureau of Engraving and Printing to your Bureau?

Mr. TREAT. Yes, sir; and we receipt for the sheets.

Mr. BINGHAM. What is the subordinate force on this specific work?

Mr. TREAT. 166 employees. It varies from 160 to 170 employees.

Mr. TAWNEY. How many less employees would be required to do the work if it was required to be done in the Bureau of Engraving and Printing?

Mr. TREAT. Mr. Sullivan can answer that question better than I can. Since I came in office we have increased from 120 bundles to 180 bundles, that is 50%, which was absolutely required to meet the tremendous demand for bills of small denominations, and we have been forcing it up to that point until now in a measure we are satisfying the demands of the country.

Mr. BINGHAM. The demands for small bills?

Mr. TREAT. Yes, sir. For the first time we have reached the point where they say they have enough.

Mr. BANTZ. In 1890 we sealed 87,000,000 pieces and in 1907, 178,000,000 pieces but in the face of this immense increase, at the end of the fiscal year the reserve was nearly exhausted, not more than two weeks' supply of small notes was on hand. We did not have enough notes in reserve to give them time to cure. I have known the notes to go out on the second day after coming off the press.

The memorandum submitted by Mr. Treat follows:

TREASURY DEPARTMENT,
OFFICE OF THE TREASURER OF THE UNITED STATES,
Washington, D. C., January 27, 1908.

[Memorandum for Assistant Secretary Edwards.]

Relative to the proposition to transfer the sealing of United States Notes, Gold and Silver Certificates, from the Office of the Treasurer of the United States, to the Bureau of Engraving and Printing, we beg to submit the following:

Formerly the seals were printed on the notes at the Bureau of Engraving and Printing and these notes were delivered to the Office of the Treasurer of the United States, complete and ready for payment over the counter by the

Tellers of the Cash Room. The output of notes at this time was very small, as compared with the present output.

In 1885, when the control of the Treasury Department passed into the hands of a new political party, the officers who were charged with the responsibility and payment of these notes as obligations of the Government, after very careful and full consideration of the situation, reached the conclusion that it was unsafe to trust the final completion of the notes to the same establishment that manufactured them. They held that inasmuch as the officials of the Bureau of Engraving and Printing were not bonded officers and were only responsible for the delivery of perfect and imperfect notes to balance the blank paper received by them that they should not be authorized to authenticate the notes or convert them into a money obligation of the Government. They held that the final authentication of the notes should be made by the officer who was responsible for the money thus produced—that is, the Treasurer of the United States. They also held that there was danger in transporting the completed notes through the streets from the Bureau to the Department.

The Secretary of the Treasury, after full consideration of the matter which was presented to him, decided that their views were correct and for the best interests of the Government, and ordered that the work of sealing and separating, which was the cutting of the sheets into single notes (the notes being printed four on a sheet) after receiving the seal, should be done in the Office of the Treasurer. The necessary presses, machinery, and the force employed in the Bureau of Engraving and Printing, were thereupon transferred to the Office of the Treasurer of the United States and this work has been done in that office since that date.

If this work were re-transferred to the Bureau and executed in the present methods, there would be no substantial saving in cost to the Government, as it would cost about as much to execute the work in the Bureau, as in the Office of the Treasurer. If, however, the work of sealing could be executed with the same impression that the number is made, there would be a substantial saving in the cost of the work. Upon this point, there is a difference of opinion between the mechanical experts at the Bureau, with the weight of expert opinion against the proposition, it being considered that with the present presses it would not be successful. With a new press, which it is claimed has been built, it is said that this work could be accomplished very successfully. It would, however, on either style of press, reduce materially the quality of the work.

It is, in our opinion, of utmost importance that the character of the work on the notes and securities of the United States, should be maintained up to the highest standard and an effort to accomplish this work by one impression, would, in our judgment, inevitably lead to a serious deterioration in quality.

We are fully of the opinion that the work should continue where it is now being performed.

Respectfully,

STATEMENT OF MR. THOMAS J. SULLIVAN, DIRECTOR, BUREAU OF ENGRAVING AND PRINTING.

Mr. TAWNEY. I wish you would describe to the committee just what the Bureau of Engraving and Printing does in the matter of sealing the national bank notes or completing the national bank notes?

Mr. SULLIVAN. We print the backs and faces of the national bank notes and then we number them. After they are numbered they are sent to the surface printing division and the seal of the Treasury Department is placed upon them. They are then considered to be finished and are sent to the office of the Comptroller of the Currency.

Mr. TAWNEY. How long have you been doing that work?

Mr. SULLIVAN. Since 1875. That is, we have been completing the notes since 1875. From 1863, the time of the passage of the national bank act, we sealed the notes upon their receipt from the bank note

company and turned them over to the Comptroller. In 1875 we commenced to print the backs and faces and complete them.

Mr. TAWNEY. Since 1875, during all the time you have been manufacturing national bank notes complete, including the seal of the Treasury, has there been any loss to the Government or to the banks in any way?

Mr. SULLIVAN. No, sir.

Mr. TAWNEY. How is it with respect to the manufacture of Treasury notes?

Mr. SULLIVAN. Just at that point I want to call attention to the fact that while we complete the bank notes in so far as the printing, numbering, and sealing are concerned, they have to go to the banks for the signatures of the officers of the bank.

Mr. TAWNEY. I understand that.

Mr. SULLIVAN. They are not complete notes when they leave the Bureau.

Mr. TAWNEY. I understand. We also understand that the courts have held that even if the notes get into circulation without the signatures of the bank officers the bank is liable just the same.

How is it with regard to the printing and making of the Treasury notes?

Mr. SULLIVAN. The Treasury issues, United States silver certificates and gold certificates, were originally printed by the bank note companies and sent to the Treasury Department to be sealed in the same way that national bank notes were. Subsequently in the development of the Bureau of Engraving and Printing the Bureau took over the printing of the backs and faces and other parts of the work and completed the notes up to 1885.

Mr. TAWNEY. When did the Bureau of Engraving and Printing commence printing the backs and faces and completing the Treasury notes?

Mr. SULLIVAN. About 1869.

Mr. TAWNEY. And continued doing that until 1885?

Mr. SULLIVAN. Yes, sir.

Mr. TAWNEY. During that time was there any loss or any injury in any way on account of the Bureau of Engraving and Printing completing the notes?

Mr. SULLIVAN. No, sir.

Mr. TAWNEY. What was the occasion for the change?

Mr. SULLIVAN. When the first Cleveland administration came into office they made an examination of all the methods pursued in the printing and preparation of the notes and they reached the conclusion, based on the old laws that had been passed in 1862, authorizing the issue of notes, that the sealing, i. e., authentication of the notes should be done in a separate room or place from that where the notes were manufactured.

Mr. TAWNEY. Have you the report that was made as a result of that investigation?

Mr. SULLIVAN. I have not the report. I have the order that was made by the Secretary of the Treasury transferring the work from the Bureau of Engraving and Printing to the Office of the Treasurer, dated June 10, 1885.

The order referred to is as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., June 10th, 1885.

To the Chief of the Bureau of Engraving and Printing.

SIR: It having been determined to "seal" and "separate" all U. S. notes, gold and silver certificates in this building, under the supervision of the Treasurer of the United States, you will at once take the necessary steps to place in position, in a room to be designated by the Treasurer, such machinery and appurtenances as may be necessary to the proper performance of such work.

The expense incurred, including that for the necessary power, to be chargeable to the appropriation for "Labor and Expenses of Engraving and Printing."

I have also to advise you that at such time as it shall be determined to begin these operations, you will be required to furnish such skilled employees as may be found necessary to carry on the work. The Treasurer of the United States will recommend a suitable Superintendent.

The compensation of the force employed will likewise be a charge upon the above mentioned appropriation. The Treasurer will consult with you relative to matters of detail in carrying out the above arrangement.

Very respectfully,

D. MANNING, *Secretary.*

Mr. SULLIVAN. I have the rules and regulations regarding the printing, delivery, sealing, and separating of United States notes and certificates that were issued at the time the order was made covering the new method of procedure.

The rules and regulations referred to are as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., June 20, 1885.

RULES AND REGULATIONS REGARDING THE PRINTING, DELIVERY, SEALING AND SEPARATING OF U. S. NOTES AND CERTIFICATES.

It is hereby directed that U. S. notes, gold, and silver certificates, and certificates of deposit, act of June 8, 1872, shall be printed and the serial numbers placed thereon by the Bureau of Engraving and Printing, and that such notes and certificates shall be delivered to the Treasurer of the United States, unseparated, and in the sheets of paper upon which the same are printed.

Deliveries shall be made only upon requisitions of the Treasurer of the U. S. and such requisitions shall state the number of sheets of each denomination required, and shall also specify the numbers of the notes to be delivered.

A new series of numbers shall be placed upon the notes and certificates to be delivered under these regulations, commencing with number one on each denomination.

The Treasurer shall receipt to the Chief of the Bureau of Engraving and Printing, which receipt shall specify the number of sheets of paper containing unfinished notes or certificates of the denominations, numbers and amounts delivered.

The Chief of the Bureau of Engraving and Printing shall make a detailed report to the Secretary of the Treasury of all unfinished notes and certificates delivered by him to the Treasurer.

The Treasurer shall make requisitions for U. S. notes, only in amounts corresponding with such amounts of notes as have been redeemed, canceled and delivered to the proper officers for destruction by maceration, and for which he shall have their receipts.

Requisitions for Gold, Silver and Currency Certificates shall be made by the Treasurer whenever he shall deem that the interests of the public service and the laws, make a further supply necessary.

Upon ascertaining by count, the correctness of the amount of U. S. Notes, and Gold and Silver Certificates purporting to have been delivered to him, the Treasurer shall credit the amount thereof in General account as a receipt, and shall charge himself with a like amount of money.

The Treasurer shall hereafter be charged with the duty of placing the imprint of the Seal of the Treasury upon all U. S. Notes, Gold and Silver Certificates, and certificates of Deposit of the Act of June 8, 1872.

The Treasurer shall also cause the notes and certificates to be separated and prepared for issue.

The Treasurer shall make to the Secretary of the Treasury such detailed reports of unfinished notes and certificates received by him from the Chief of the Bureau of Engraving and Printing; and the finished notes and certificates issued and redeemed by him, as may be required for the use of this office.

D. MANNING, *Secretary*.

Mr. TAWNEY. Do you know who in particular raised the question in regard to this change?

Mr. SULLIVAN. I think it was Mr. Jordan, who was made Treasurer of the United States.

Mr. TAWNEY. Why was the question raised by him?

Mr. SULLIVAN. I can, of course, only infer from what happened about that time. Mr. Jordan came down here and was a special representative, it seems to me, of that administration, and he went through the office of the Treasurer, looking into all of its business and, before he was made Treasurer of the United States, had an examination of the statutes made and he found these provisions regarding the sealing of the notes in a separate and distinct establishment and he seemed to reason from that that it would be an efficient check on the establishment that printed the notes.

Mr. TAWNEY. Where in the law is there any language to the effect that the sealing and numbering of the notes must be done in a building separate and apart from the Bureau of Engraving and Printing building?

Mr. SULLIVAN. It was in the old act, of February, 1862.

Mr. TAWNEY. But that act is not now in force?

Mr. SULLIVAN. No. A part of that act was of course embodied in the Revised Statutes.

Mr. TAWNEY. Section 3577?

Mr. SULLIVAN. Yes, sir; and inasmuch as that special provision was not embodied, it was repealed.

Mr. TAWNEY. The revision of the statutes did not go into effect until some four years after that; that is, they were not promulgated until four years after their enactment, and you continued to do this work under the old act of February 25, 1862?

Mr. SULLIVAN. That was a direct violation of law.

Mr. TAWNEY. And then after the Revised Statutes did go into effect you continued to do it and to do it in accordance with the law?

Mr. SULLIVAN. Yes, sir.

Mr. TAWNEY. Is it not a fact that the change made in the old law by Section 3577 of the Revised Statutes was made to cause it to conform to the work that was being done at that time?

Mr. SULLIVAN. I do not think so, because I do not think the revisers made any inquiry at the Department as to how the work was being done at that time. They went on and used their own judgment in making that revision. Of course, I cannot account for what their view of the case was, but I am quite sure that they made no inquiry at the Department as to how the work was being done and so the omission of that language could not have been a result of the way the work was being done.

Mr. TAWNEY. Mr. Sullivan, the numeral and seal are put on at one impression?

Mr. SULLIVAN. Yes, sir.

Mr. TAWNEY. There are 166 people employed in the Treasury Department putting on the numeral and seal?

Mr. SULLIVAN. All of them are not so employed. They are also employed in cutting the notes into single sheets and packing them for issue over the counter.

Mr. TAWNEY. The Treasurer omitted that in his statement to us. How many employes would it require if this work was done in the Bureau of Engraving and Printing?

Mr. SULLIVAN. If it was done in the same way that it is now it would require approximately the same number of employes.

Mr. TAWNEY. What do you mean by the same way, can it be done as efficiently by a different method?

Mr. SULLIVAN. In my judgment it can not, but the question has been discussed to some extent and there are some mechanical experts who are of the opinion that the numbers could be put on at the same time the seal and numeral are put on, but I have looked into the matter, and, in my judgment, it can not be done successfully. Therefore, if it is done in the same way that it is done now, and that seems to me to be the only practical way to do it, there would be no reduction in the force of people and there would be no substantial saving in the execution of the work.

Mr. TAWNEY. You say that the number and the seal can not, in your judgment, be put on by one impression?

Mr. SULLIVAN. No, sir; they can not.

Mr. TAWNEY. Why?

Mr. SULLIVAN. Our present presses are not constructed to permit it. If we undertook to do it, we would have to experiment with entirely new presses constructed for that purpose and it is doubtful in my mind whether we would be able to do it successfully then. Where all these impressions are undertaken at one time it would likely lead to an increase in the mutilation of the notes and in a deterioration of the quality of the impression when put on.

Mr. TAWNEY. Do you put the number of the note on separate and independent from the rest of the printing on the note?

Mr. SULLIVAN. Yes, sir; entirely separate and independent. It ought to be done with a great deal of care to make a successful number. If we duplicated those numbers it would lead to endless confusion. If the new method were adopted every press we have now would have to be thrown away. We print the number on one set of presses and the seal is printed on another set of presses.

Mr. BINGHAM. Is the counterfeiting of United States notes very great now?

Mr. SULLIVAN. No, sir.

Mr. BINGHAM. Is it with the bank notes?

Mr. SULLIVAN. No, sir. The counterfeiting of paper money at present is very small. There is more coin counterfeiting.

Mr. BRICK. You made one point, that if you run the notes through the presses the numbers would not be so accurately made.

Mr. TAWNEY. That depends entirely upon the character of the press.

Mr. BRICK. But I would like to know why that could not be over-

Mr. SULLIVAN. There are many mechanical objections to that which I could hardly demonstrate to you without the press in order to show you just what I mean. I would not say that it was absolutely impossible.

Mr. TAWNEY. What do the presses cost?

Mr. SULLIVAN. They cost in the neighborhood of \$2,000 apiece.

Mr. TAWNEY. How many presses have you?

Mr. SULLIVAN. We have thirty presses, and it would cost from \$60,000 to \$100,000 if we got new presses. Of course that is a matter which would have to be worked out carefully.

Mr. TAWNEY. The cost of the experiment should be thrown upon the manufacturer?

Mr. SULLIVAN. Yes, sir.

Mr. TAWNEY. Are the employees in the Treasury who put on the seal and numeral paid the same compensation that is paid to those doing the same work in the Bureau of Engraving and Printing?

Mr. SULLIVAN. Yes, sir; practically the same. They pay the pressmen a little more than we pay our pressmen.

Mr. TAWNEY. How much more?

Mr. SULLIVAN. They pay the pressmen \$1,400 a year, and we pay our pressmen \$1,252.

Mr. TAWNEY. About \$148 a year more?

Mr. SULLIVAN. Yes, sir; but the women are paid practically the same amount.

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